

BOX SPRINGS MUTUAL WATER COMPANY

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

Tuesday, July 15, 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, June 18, 2025 - 6:00 pm

Board Meeting Minutes

I. **CALL TO ORDER** – at 6:00 pm

II. **ROLL CALL**

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

Other attendees: Mark Iverson, Karen Collins

III. **PUBLIC COMMENTS** - None

IV. **REVIEW PREVIOUS BOARD MEETING MINUTES** – Valentina Schafer motioned to accept the minutes from the May 20, 2025 meeting. The motion was seconded by Charles Campbell and the minutes were unanimously accepted and approved.

V. **GENERAL MANAGERS REPORT**

a. **Financial Review**

- i. P&L Report – distributed and reviewed
- ii. Budget Status Report – reviewed revenue and expenses
- iii. Bank Accounts - distributed and reviewed

b. **Billing Update**

- i. Total Billed \$81,145.47
- ii. Total Received \$83,345.70
- iii. Past Due - Water Service
 - o 30 to 60 days \$ 6,067.91
 - o >60 days \$ 303.28
- iv. Past Due – Assessment Only \$74,626.67
- v. Meter Replacements – we've only replaced 2 Neptune meters at this time due to the work being done on Brill Road. Once that job is done, staff will work on the remaining meter replacements.

c. **New Development Projects**

- i. **LDC – Day Street** - discussed connections and fees with the developer.
- ii. **SAWPA Grants**
 - o New 1.1 MG – kick-off meeting was held last Thursday, June 12, 2025. Mark is working with the contractor on their safety program, submittals, etc. Waiting for the contractor to finalize and start work.
 - o New Well – expected to go out to bid potentially in October.

- iii. **Cottonwood Apartments** – finishing up work on Brill and will start the work on Cottonwood not long after Brill is completed. Staff will begin ordering materials needed to start the work.
 - iv. **New Apartments on Cottonwood** – a new developer has contacted BSMWD looking to build additional apartments on Cottonwood Avenue which would extend the current pipeline replacement with another 700 feet of new piping.
- d. **Home Purchase** - 13142 Edgemont Street – the appraisal was ordered. The new lender is struggling with the fact that we're a 501C. They're asking for personal information from the Board and Mark called to explained to them the Board members personal information is not necessary. Our bank statements were used to provide our monthly income and our property here could be used as a lien if necessary. Mark will continue to work with the lenders.

VI. CLOSED SESSION –

VII. ADJOURNMENT – Board Meeting adjourned at 6:15 pm

Next Board Meeting Tuesday, July 15, 2025, at 4:30 pm

BOX SPRINGS MUTUAL WATER COMPANY

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

Wednesday, June 18, 2025 - 7:00 PM

Annual Shareholders Meeting Minutes

1. **PRESIDENT CALL TO ORDER** – Meeting called to order at 6:59 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, Officer Manager-Karen Collins

Guests: Maria Kennedy

Shareholders: There were 5 Shareholders present

Auditor for the Election: Patricia M. Caskey, CPA

3. **PUBLIC COMMENT** - None

4. **MANAGER'S REPORT**

Mark Iverson, BSMWC's General Manager, shared a PowerPoint presentation sharing multiple projects and jobs completed within the service area in 2024. Additionally, the presentation contained pictures of the disrepair of the system when Mark started working with BSMWC in 2021.

The 3 booster pumps that were in place were all in poor condition and only one of the 3 was functional. The one working booster was so corroded and leaking that it was irreparable. There was a small booster station built at the end of 2022 to provide coverage until the permanent booster station was built. This second station was paid for by new developers in the area. The electrical gear was old and unreliable. New electrical equipment and a standby generator were installed to provide power to supply the water pumps during outages. Several pipeline improvements have been completed including Grant Street, Dracaea Avenue, Old 215 Highway, and currently there are improvements being completed on Brill Road.

The next major pipeline replacement will be on Cottonwood Avenue. BSMWC recently received a grant for a new water tank that is already under contract with construction to start in the next couple of months followed by a grant for a new well. A GIS system has been implemented, and Mark shared the details now available to staff regarding the service area. Secondly, a SCADA system has been implemented giving staff the ability to monitor the system remotely. We can now see real time data showing tank water levels, which boosters are running, the PSI leaving the boosters, etc. Mark shared the improvements made in the office and yard and shared that in the future we will replace the remaining fencing here at the main office.

- **Budget and Financials**

	2022	2023	2024
Total Income	\$1,629,796	\$910,274	\$1,183,461
Total Expenses	\$1,258,446	\$852,788	\$1,156,086
Net Income	\$371,330	\$57,486	\$27,375

- **Financial Review Report** – Reviewed 2024 Budget and year end financials along with the current 2025 Budget and planned upcoming development including the expected income.

Questions regarding the total grants received for the well and tank improvements totals, approximately \$1.5 - \$2M. There is no funding being managed by BSMWC. All monies are being handled outside BSMWC.

- **Capital Improvements Completed in 2024**
 - Billing System Upgrade
 - Old Clearwell Demolition
 - Water Meters Replaced - 24
- **Projects Planned for 2025**
 - New 1.1 MG Reservoir (SAWPA Grant) *In Progress*
 - New Well Construction (SAWPA Grant)
 - Brill Road - Replace 700 ft of 4-inch steel to 8-inch PVC - *In Progress*
 - Cottonwood Ave – Replace 700 ft of 8-inch steel with 12-inch PVC
 - Replace 30 water meters - *In Progress*

Valentina Schafer shared she has only been on the Board a year this month and has seen nothing to be concerned with. Mrs. Schafer joined to Board due to concerns regarding how monies and management were being handled but has been satisfied that business is being conducted efficiently.

Mac shared the conditions he found at BSMWC when he first started on the Board. Not long after, he reached out to Mark Iverson and asked him to come on as full-time General Manager.

5. **AUDITORS REPORT**

- 2,566 Shares Outstanding
- 240 Total Shares Represented (Final Count)
- Determination of Shareholders Quorum (67% for Quorum – 1,719 shares)

All ballots received by mail and delivered by hand will be collected, verified, and counted to determine an accurate count and whether a quorum of shareholders is represented. The count will be completed and certified by the Auditor for the Election.

Shareholders will be able to amend their ballot at the annual meeting. Special color ballots are available at the meeting for this purpose. The special color ballots will supersede the shareholder's original ballot. The original ballot will be kept but marked canceled.

All ballots received by hand at the annual meeting will be collected and placed in a pre-addressed FedEx package. A shareholder at the meeting, who is not on the current board, will

be asked to place the ballots in the package, seal the package, and sign the seal. The package will be sent to the Auditor of the Election to verify and count.

If a quorum of shareholders is represented, the new board members will be determined by the ballot results. A list of the total number of votes by person will be prepared by the Auditor of the Election, and the new board members will be taken from the top five from the list.

The new board members will be notified by phone, e-mail, and certified mail. A notice to all shareholders will be posted on the BSMWC website and a notification of the election results sent with the July 2025 water bill.

If there is not a quorum, the current board will continue to serve at their discretion.

Statement of Activity

Box Springs Mutual Water Company

June 1-30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
700 Water Revenue	0
703 Service Charge	19,769.89
704 Water Charge	42,286.68
715 Add Unit Revenue	3,600.59
725 Other Revenue	0
720 Late Fees, Penalties	2,092.84
726 Member Other Revenue	457.73
Total for 725 Other Revenue	\$2,550.57
Total for 700 Water Revenue	\$68,207.73
735 Shareholder Assessments	19,598.47
Total for Income	\$87,806.20
Cost of Goods Sold	
Gross Profit	\$87,806.20
Expenses	
820 Parts, Supplies, Tools	465.46
830 Repairs & Maintenance	2,026.12
840 USAS	11.10
850 WMWD	17,492.24
860 Pumping-Electricity	6,027.67
881 Outside Services -COGS	10,560.00
906 Auto, Truck Expenses	0
907 Fuel	474.26
913 Vehicle Repairs & Maintenance	32.59
Total for 906 Auto, Truck Expenses	\$506.85
908 Bank Service Charges	435.42
912 Dues, Subscriptions	10.00
915 Computer Fees & Services	2,772.29
932 Equipment Rental	267.71
934 Insurance	0
935 Insurance Auto	\$9,820.40
936 Workers Comp	1,433.70
937 Vision	21.03
939 Health	2,069.30
Total for 935 Insurance Auto	\$13,344.43
Total for 934 Insurance	\$13,344.43
944 Office Expense	143.38

Statement of Activity
Box Springs Mutual Water Company
June 1-30, 2025

DISTRIBUTION ACCOUNT	TOTAL
945 Payroll Expenses	0
810 Operator Salaries	13,387.04
904 Administrative Salaries	9,064.74
946 Payroll Processing Fees	1,338.72
948 Payroll Taxes	1,748.74
Total for 945 Payroll Expenses	\$25,539.24
947 Outside Services - General	3,075.00
950 Postage, Delivery	1,333.52
952 Telephone	168.47
958 Utilities	183.32
959 Professional Fees	0
902 Accounting	2,825.00
961 Legal Services	-1,917.00
Total for 959 Professional Fees	\$908.00
Total for Expenses	\$85,270.22
Net Operating Income	\$2,535.98
Other Income	
Other Expenses	
Net Other Income	0
Net Income	\$2,535.98

2025

INCOME	Jan	Feb	Mar	Apr	May	Jun	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	\$ 19,770	\$ 118,062	\$ 49,130	\$ 173,976
704 Water Charge	\$ 40,322	\$ 43,020	\$ 33,169	\$ 34,103	\$ 33,168	\$ 42,287	\$ 226,069	\$ 95,907	\$ 368,248
710 Add Meter Revenue							\$ -	\$ -	\$ 3,818
715 Add Unit Revenue	\$ 3,349	\$ 3,520	\$ 3,771	\$ 3,375	\$ 4,415	\$ 3,601	\$ 22,031	\$ 18,457	\$ 37,237
717 Connection Fees							\$ -	\$ 222,805	\$ 222,805
720 Late Fees, Penalties	\$ 1,023	\$ 930	\$ 1,216	\$ 1,827	\$ 867	\$ 2,093	\$ 7,956	\$ 3,643	\$ 9,147
722 BS CC Payment Fee							\$ -	\$ -	\$ -
725 Other Revenue - Other							\$ -	\$ 175	\$ 1,858
726 Member Other Revenue	\$ 675	\$ 726	\$ 292	\$ 289	\$ 1,000	\$ 458	\$ 3,440	\$ 3,141	\$ 7,802
727 Non-Member Other Revenue							\$ -	\$ -	\$ -
735 Shareholder Assessment	\$ 21,833	\$ 20,881	\$ 20,866	\$ 21,396	\$ 19,446	\$ 19,598	\$ 124,021	\$ 118,545	\$ 247,716
736 Assessment - Late Penalty		\$ 19		\$ 213			\$ 232	\$ -	\$ -
990 Interest Revenue							\$ -	\$ 2	\$ 2

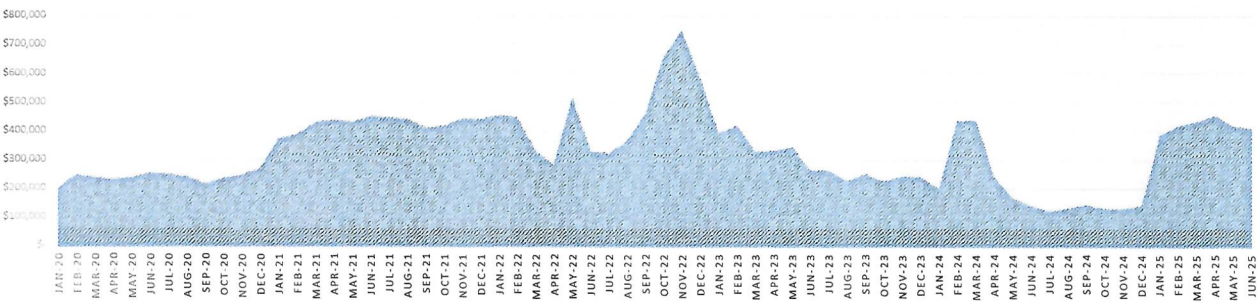
Total INCOME	\$ 87,114	\$ 88,685	\$ 78,012	\$ 82,913	\$ 77,212	\$ 87,806	\$ 501,742	\$ 662,228	\$ 1,230,553
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EXPENSES	Jan	Feb	Mar	Apr	May	Jun	2025 YTD	2024 YTD	2025 Budget
810 Operator Salaries	\$ 11,023	\$ 11,094	\$ 9,231	\$ 11,007	\$ 18,719	\$ 13,387	\$ 74,461	\$ 75,067	\$ 142,541
820 Parts, Supplies, Tools	\$ 1,696	\$ 933	\$ 459	\$ 683	\$ 3,491	\$ 465	\$ 7,727	\$ 68,678	\$ 12,505
830 Repairs & Maintenance				\$ 1,554		\$ 2,026	\$ 3,580	\$ 22,801	\$ 34,799
840 USAS	\$ 19	\$ 15	\$ 4	\$ 7	\$ 15	\$ 11	\$ 70	\$ 133	\$ 263
850 WMWD	\$ 14,278	\$ 15,188	\$ 13,718	\$ 14,863	\$ 13,737	\$ 17,492	\$ 89,276	\$ 103,876	\$ 225,348
860 Pumping - Electricity	\$ 16,873	\$ 5,880		\$ 10,658	\$ 5,923	\$ 6,028	\$ 45,362	\$ -	\$ -
870 Laboratory Fees		\$ 2,425		\$ 3,389	\$ 477		\$ 6,292	\$ 15,414	\$ 19,185
880 Chlorine		\$ 1,128			\$ 1,068		\$ 2,195	\$ 10,340	\$ 12,844
881 Outside Services	\$ 5,745	\$ 5,710	\$ 7,190	\$ 12,560	\$ 3,920	\$ 10,560	\$ 45,685	\$ 64,069	\$ 134,287
902 Accounting	\$ 325	\$ 325	\$ 325	\$ 325	\$ 7,452	\$ 2,825	\$ 11,577	\$ 3,850	\$ 5,475
904 Administrative Salaries	\$ 9,599	\$ 9,207	\$ 9,447	\$ 9,714	\$ 14,122	\$ 9,065	\$ 61,155	\$ 68,233	\$ 129,679
906 Auto, Truck Expenses			\$ 380				\$ 380	\$ 385	\$ 1,464
907 Fuel	\$ 448	\$ 811	\$ 6	\$ 430	\$ 515	\$ 474	\$ 2,685	\$ 6,972	\$ 10,650
908 Bank Service Charges	\$ 490	\$ 466	\$ 454	\$ 402	\$ 401	\$ 435	\$ 2,648	\$ 941	\$ 2,435
909 Cashier Over/Short							\$ -	\$ -	\$ -
910 Depreciation Expense							\$ -	\$ -	\$ -
912 Dues and Subscriptions	\$ 2,379	\$ 985	\$ 535	\$ 10	\$ 10	\$ 10	\$ 3,929	\$ 5,796	\$ 6,780
913 Vehicle Maint and Repairs		\$ 56	\$ 42	\$ 23		\$ 33	\$ 153	\$ 1,750	\$ -
914 Square Merch Fee							\$ -	\$ 3	\$ -
915 Computer Fees and Services	\$ 2,689	\$ 3,005	\$ 9,205	\$ 2,687	\$ 2,602	\$ 2,772	\$ 22,960	\$ 16,403	\$ 33,293
925 Engineering							\$ -	\$ -	\$ -
930 Employee Benefits							\$ -	\$ -	\$ (520)
932 Equipment Rental	\$ 750	\$ 778	\$ 2,250	\$ 1,830	\$ 750	\$ 268	\$ 6,626	\$ 6,965	\$ 9,597
935 Insurance Auto					\$ 2,015	\$ 9,820	\$ 11,835	\$ 1,016	\$ 14,078
936 Workers Comp	\$ 1,323	\$ 1,283	\$ 1,221	\$ 1,312		\$ 1,434	\$ 6,572	\$ 11,217	\$ 17,453
937 Vision	\$ 6	\$ 21	\$ 21	\$ 42		\$ 21	\$ 111	\$ 172	\$ 334
938 Liability							\$ -	\$ 10,890	\$ -
939 Health	\$ 2,883		\$ 107	\$ 725	\$ 2,069	\$ 2,069	\$ 7,854	\$ 26,955	\$ 46,574
940 Dental		\$ 107					\$ 107	\$ (84)	\$ 9,203
941 D&O, EPI	\$ 18,766	\$ (684)					\$ 18,082	\$ 4,747	\$ 24,668
942 Licenses, Permits, Fees	\$ 70				\$ 60		\$ 130	\$ 50	\$ 1,187
943 Meals & Entertainment	\$ 92	\$ 35			\$ 2,080		\$ 2,207	\$ 1,394	\$ 1,179
944 Office Expense	\$ 809	\$ 1,469	\$ 266	\$ 1,540		\$ 143	\$ 4,227	\$ 20,462	\$ 24,092
946 Payroll Processing Fee	\$ 1,487	\$ 1,275	\$ 1,275	\$ 1,293	\$ 1,976	\$ 1,339	\$ 8,646	\$ 6,979	\$ 14,769
947 Outside Services - General		\$ 750	\$ 1,000			\$ 3,075	\$ -	\$ -	\$ -
948 Payroll Taxes	\$ 2,968	\$ 2,228	\$ 1,519	\$ 2,643	\$ 2,628	\$ 1,749	\$ 13,735	\$ 8,305	\$ 17,707
950 Postage, Delivery		\$ 705	\$ 502	\$ 604		\$ 1,334	\$ 3,145	\$ 3,423	\$ 7,157
952 Telephone	\$ 184	\$ 451	\$ 168	\$ 436	\$ 353	\$ 168	\$ 1,760	\$ 2,018	\$ 3,653
956 Uniforms			\$ 449				\$ 449	\$ -	\$ (57)
958 Utilities	\$ 368		\$ 35	\$ 493	\$ 162	\$ 183	\$ 1,243	\$ 36,249	\$ 77,278
959 Professional Fees		\$ 298					\$ -	\$ 3,845	\$ -
961 Legal Services		\$ 936	\$ 199		\$ 398	\$ (1,917)	\$ (384)	\$ 11,194	\$ 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	\$ 85,270	\$ 472,523	\$ 620,508	\$ 1,068,979

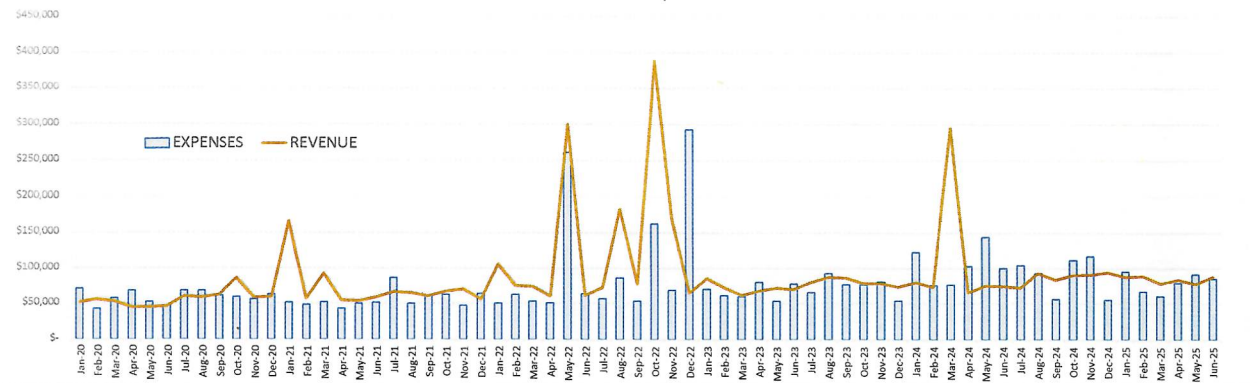
Net Income	\$ (8,155)	\$ 21,805	\$ 18,002	\$ 3,682	\$ (13,774)	\$ 2,536	\$ 29,219	\$ 41,720	\$ 161,575
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Cash Reserves (In Bank)	\$ 388,652	\$ 420,832	\$ 435,524	\$ 457,598	\$ 420,527	\$ 413,428	\$ -	\$ 141,855	\$ -
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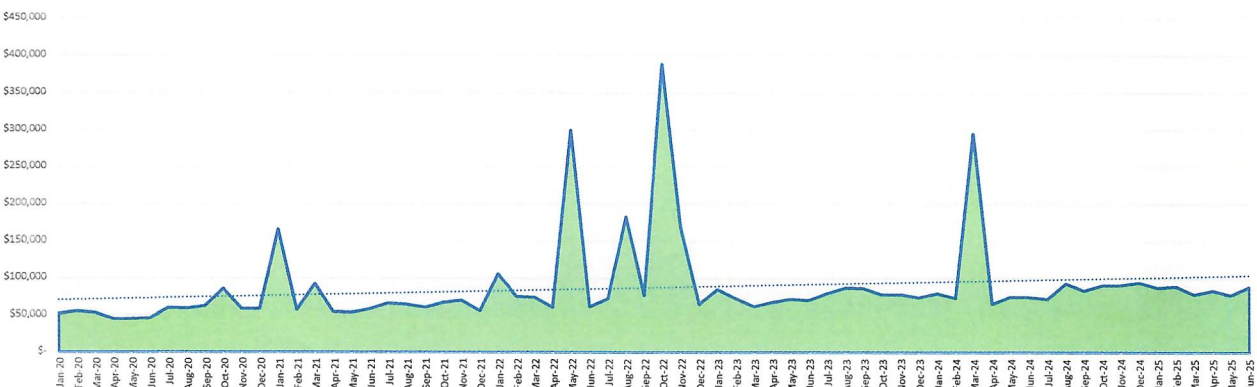
TOTAL BANK BALANCE



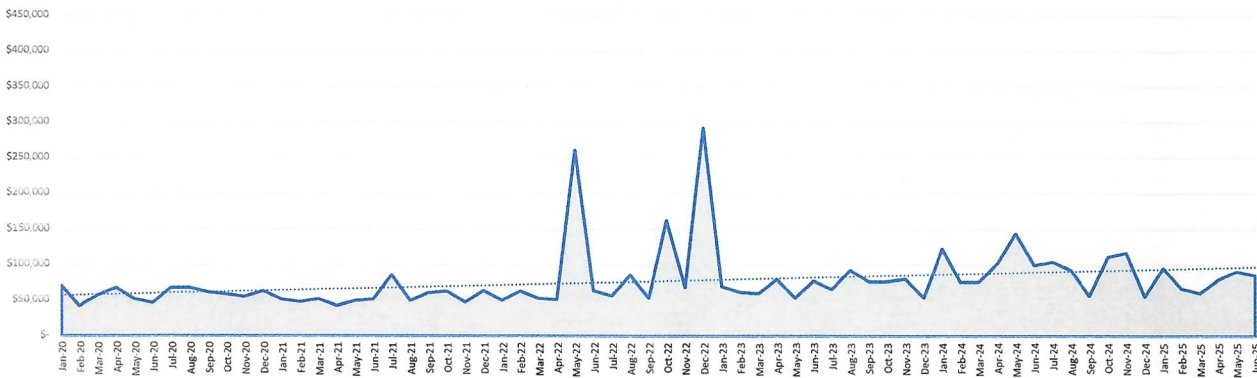
Revenue and Expense



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
5/30	6/30	30	683	6/26	\$ 102,165.23	\$ 96,595.91	\$ 5,569.32	\$ 96,520.88	\$ 463.13	643	6/30/2025	49	905.06	\$ 5,887.15	\$ 1,051.09	\$ 75,117.02