

WYNOLA WATER DISTRICT BOARD OF DIRECTORS

FIRST FISCAL QUARTER MEETING

SATURDAY JULY 17, 1999

9:00 A.M.

THE GANS RESIDENCE:
1634 OAKFOREST ROAD
WYNOLA ESTATES
SANTA YSABEL, CA 92070

- 1. The July 17, 1999 Quarterly Meeting** of the Board of Directors, Wynola Water District, was held at the Gans residence, 1634 Oakforest Road, Wynola Estates, and was called to order at 9:07 a.m. by the President. Those attending were: George Ellis, President, Malcolm Dyos, Vice President; Bob Franke, Robert Gans and Ray Mitchell, Directors, Joyce Gans, Secretary/Treasurer to the Board, with guests Pete Miller, Paul Lewis, Jack McMahon, and Annie Dover.
- 2. Approval of Agenda:** Before obtaining approval of the Agenda, the President requested two permanent additions: to add a Miscellaneous item as a last item in both New Business and Old Business. It was also determined that all quarters will be numbered on the fiscal year calendar. The Water District's fiscal year is from July 1 to June 30. The President then called for corrections and/or additions to the Agenda for this meeting. A **motion** by Director Gans, and second by Director Franke to accept the Agenda with noted corrections was passed.
- 3. Approval of Minutes:** The Vice President called for additions/deletions to the May 24, 1999 minutes of the Special Meeting of the Board. A **motion** made by Director Franke and seconded by Director Dyos to accept the minutes as written was passed.
- 4. Treasurer's Report:** The Secretary/Treasurer reported an \$8,435.75 balance in the checking account, as of June 30, 1999. In addition, a check from the County for \$4,753.66 in property tax revenues will reflect in the June 30, 1999 balances. A balance of \$108,216.95 in our BA Investment account as of the same date was also reported. Discussion then followed on Director Gans' submission of the P&L Budget Comparison and the Profit and Loss Statement and the Budget Report for the Fiscal Year Ending June 30, 1999. The proposed Operating Budget for the Fiscal Year Ending June 30, 2000 and the Annual Capital

Budget/Forecast were to be discussed later in the meeting. A **Motion** to accept the Secretary/Treasurer's report with noted changes was made by Director Dyos, seconded by Director Gans and was passed.

5. **Letter to County Counsel:** The Board requested that Director Gans rewrite the original letter to include more specific questions and to state our interest in retaining County Counsel to advise us on certain legal issues. Director Gans will request an estimate of the number of hours it will take County Counsel to rule on the key issue of whether or not the Board is authorized to use Water District funds to administer and enforce the CC&R's. A **Motion** to adopt a Resolution to retain County Counsel for certain legal purposes on a fee-for-service basis was made by Director Gans, seconded by Director Franke, and passed with a unanimous vote. A second **motion** was made by Director Dyos and seconded by Director Gans to set a limit of five hours to be spent by County Counsel on its assignment.. Director Gans has a copy of the Resolution Form needed to submit this request to County Counsel. This will be prepared for President Ellis' signature.
6. **Enforcing the CC&R's:** The Board discussed the subject of the Wynola Water Board also being the Control Committee, responsible for administering and enforcing the CC&R's for the Wynola Estates. A **motion** to confirm for the record that the Board recognizes and accepts this ongoing responsibility was made by Director Gans, seconded by Director Mitchell and passed by unanimous vote.
7. **Draft CC&R's:** A copy of the latest draft of the revised CC&R's was distributed to everyone attending the meeting. There were no further changes to be made to the draft. The target effective date for the new CC&Rs is January 1, 2000.
8. **Attorney Search:** Director Gans has identified a legal firm specializing in CC&R development and implementation. This is the firm of Epsten Danow Howell & Gatlin, in Rancho Bernardo. After County Counsel rules that the Board is authorized to spend Water District Funds on administration and enforcement of the CC&R's, Director Gans will contract with Epsten to put our revised CC&R's into final format. **Motion** by Director Dyos, second by Director Franke to retain this firm. Second **motion** by Director Mitchell, seconded by director Franke, for this legal service to not exceed a cost of \$4,000.
9. **Checking/Investment Accounts:** Discussion on the feasibility of moving the checking account to Julian at the local branch of Valley Independent Bank. The board agrees that convenience is a factor in having the checking account locally as well as good community spirit in keeping the money local. **Motion** to move the checking account to VIB and also

maintain a Money Market Account there with a balance of about \$10,000 made by Director Dyos, seconded by Director Gans. A second **motion** to place remaining funds in CD's once Director Gans identifies the institution with the best rates and cost benefits, made by Director Franke, seconded by Director Dyos.

10. **Miscellaneous Items:** With the approaching deadline of August 10 to set the fixed assessments of the water availability fees, the Board agrees that at this time it will be left at the current amount of \$150. **Motion** to retain the present fee of \$150 made by Director Franke, seconded by Director Gans.
11. **Water Availability:** Director Dyos presented a comprehensive report on the districts usage and production of water. The results of his findings are also located in the pump house.
12. **Minor Equipment Purchases:** Water watchers expressed a need for the purchase of a new shovel, rake and small calculator. The Board authorized Directors Franke and Mitchell to spend up to \$200 for these items.
13. **Budget Report:** The Operating Budget for July 1999 through June 2000, prepared by Director Gans, was accepted with minor changes. The Capital "Budget" was also discussed. This will be considered a forecast of expected capital replacements and repairs. Actual capital expenditures will occur only on an as-needed basis. Joyce Gans will research the actual cost of the 44,000 gallon holding tank for President Ellis.
14. **Yearly Audit:** Joyce Gans notified the Board that the annual audit will take place August 24. We will be using the same firm as in prior years, Hosaka, Nagel & Company. The estimated cost will be \$2,025. The Board requests that the Secretary obtain an estimate from the local CPA, Rebecca Luers, for the 2000 audit.
15. **Water Operations Report:** Presented by Director Mitchell. This is a detailed journal of the operations and maintenance work by Ray Mitchell, Bob Franke, Jack McMahon and others. The report was accepted with appreciation for everyone's hard work.
16. **Next Meeting.** The Next regular quarterly meeting will be held at 9:00 AM on Saturday, October 16, 1999, at the residence of Ray Mitchell at 1449 Springview Road, Wynola Estates.

17. **Adjourn:** At 12:04 Director Dyos made the **motion** to adjourn this meeting of the Wynola Water Board's Fourth Quarter meeting. The motion was seconded by Director Franke and passed unanimously.

Respectfully Submitted,

Joyce E. Gans
Secretary/Treasurer