

**WYNOLA WATER DISTRICT
BOARD OF DIRECTORS
SPECIAL MEETING
MINUTES**

Saturday, November 10, 2001

9:00 a.m.

THE MITCHELL RESIDENCE
1449 SPRINGVIEW ROAD
SANTA YSABEL, CA

1. **Attendance:** President Ellis called to order the Special Meeting of the Wynola Water District was called to order at 9:04 a.m. Those attending were: George Ellis, President, Ray Mitchell, Vice President, Robert Franke and Robert Gans, Directors and Joyce Gans, Office Manager. Director Miller was absent. This Special Meeting was called to review and make decisions of implementation and enhancement of Water Policies. Guests attending were; Malcolm Dyos, Gene Meyers, Mike Asmussen, and Mr. Boyer.

2. **Approval of Agenda:** Item 2. h. should actually be new item 3. A new item h. to be the suggestion for additional meetings. A motion was made by Vice President Mitchell to accept the agenda as amended. Seconded by Director Franke. The motion passed.

3. **Old Business:**
 - a. Update on Wells #8, and #10. Vice President Mitchell stated that while we were conducting the last regular meeting on October 20, Ransom was at the well site installing the pump. Since that time we have had a trench dug between Wells #8 and 10. Resident Mike Brady has offered to assist in laying three levels of conduit between the two wells at his cost. Currently scheduling a work party for next week to complete this. Eventually the District will need to install a fence around this site for safety. On Well #5 there has been no change, still pumping 5/gpm. Entire system is now pumping approximately 31,000 gallons per day. Pumping is currently able to keep up with usage, tanks are full.

As a side note, Vice President Mitchell noted that Well #8 is currently off. Ransom running tests on motor and pump-saver. Ransom says we have a good motor and water supply but the pump needs to be replaced and well #8 needs some repair work. Fees will be; the cost of the pump, plus \$65 per hour labor to accomplish this. When this is all completed we will actually be running both Well #8 and #10 to see if they are two individual seams of water. If they are separate we will probably continue to use both.

 - b. Meter Hook-up Fee Increase from \$2,000 to \$5,000. Director Franke noted that the fees in the Majestic Pines District are \$5,000 and the Julian Town District is \$6,000. Majestic Pines also requires the new owners to sign a document agreeing to pay and follow the rules and regulations of the Water District.

It was pointed out that the meter hook-up fee is a one-time fee for each lot. The cost should actually take into consideration the fact that they are buying into a well-established water system. Current revenues:

Property Tax	\$ 150.	(water availability)
Water Sales	1.30/unit	
Hook-up Fees	2,000.	(current fee)
Monthly Unit fees	7.	
Investments		

Review Capital Investment Vs. Operational Fees

Consideration should be given to what the cost to replace the entire existing system and what the charges per lot would be for replacement.

Discussion -- possible impacts on 2 lot owners planning on installing new meters.

Motion was made by Director Franke to increase the water hook-up fee from \$2000 to \$5000 effective 12/01/01. Seconded by Vice President Mitchell.

Discussion:

President Ellis wonders if the District has an obligation to notify lot owners with no meter of the decision to increase this fee and allow them the option of installing a meter prior to the effective date for the current price of \$2000.

87 Lots in District --- 60 with homes
 10 with just meters (approximately)
 17 lots with no meter at this time

These 17 lots are the only ones being affected. Director Gans stated that we are considering raising the fee for three reasons: 1. Because we can; 2. To be inline with the other Districts; and 3. The fairest reason; that we are ultimately asking new home builders to share in the cost of the established system.

The motion was amended to the effective date of 01/01/2002 with proposed charges remaining at \$5,000. The motion passed.

c. Potential New Well Sites:

Lot #23 has been identified as highly desirable in terms of amount of water available. Vice President Mitchell suggests sending a photograph along with the letter to the homeowner to show location and photos of actual established wells.

Motion to contact lot owner identifying location on their lot was made by Director Franke.

Consider any other options; i.e. assessments

Mr. Dyos suggests we consider economic justification for any new wells before we actually begin. President Ellis recommends Mr. Dyos solution to better evaluate needs of the District. Director Franke states that he believes the District should have another well based on the seriousness of the water shortage this past summer. Mr. Dyos reiterated that he did not believe that we cannot even talk about rate increases for water or availability or taxes, until you understand the monies you need. The monies you need have nothing to do with ...until an economic analysis determines do we have a 10-year pay back on a new well, do we have a 30-month pay back. What is the basis for our payback? Opposed to drilling new wells until this analysis is

accomplished. Mr. Dyos offered to do the analysis. President Ellis would like to recommend Mr. Dyos' solution and would like to suggest that we agree that an economic assessment needs to happen now. Mr. Dyos recommends a rate structure based on annual revenue requirements and a rate structure based upon encouraging people to conserve. One is a penalty; one is a base-line revenue resource, and one is a What he is proposing is to go ahead and identify locations, come up with a very simple model that has some basic fundamental underlying assumptions that we want a certain payback period, we want other certain things, and that would give us a chance to evaluate all options.

President Ellis pointed out that it sounded as though we needed to work on two different areas with two different groups:

- 1 --- Development of Water Policies
- 2 --- Water Analysis

The Board requests that Mr. Dyos and Director Gans work together to conduct a comprehensive assessment of the economic basis of this District, including but not limited to what basis a new well would become cost effective. We will rely on Mr. Dyos and Director Gans to determine the scope of their studies and review. Asks Mr. Dyos to give us an idea of a time frame. Both agree to present results at the next meeting.

Additionally, the Board requests Vice President Mitchell, and Director Franke to develop, with President Ellis' assistance, a draft water policy to present at the next meeting and would request that copies of these items be in the hands of Board members at least one week prior to the next meeting.

In regards to the Policy: President Ellis states that we need to establish a policy for the use of water in our community; that is to say, but not limited to our Boards ability to handle emergency situations. What constitutes an emergency, permissible uses, is agricultural use a different tier structure than household use. Can we even define that? Mr. Dyos requests the Board consider a gray-water policy. Water Watchers – Super Water Watchers develop this policy.

Vice President Mitchell pointed out that he has received a bid on increasing the capacity of one of the storage tanks going up 8 more feet; 7000 gallon per foot would cost \$60,000. Which is more than the original cost of the tanks when new.

President Ellis to initiate contact with owner of Lot #23.

Mike Asmussen to research increase of storage capacity.

Include Fire Protection limits in Water Policy.

Director Franke pointed out that increasing capacity is merely a buffer, and that during our worst part of this past summer if we continued pumping water at 31,000 gallons a day, we would have been out of water in 3 days.

- d. Rate Increase Consideration: Director Franke presented a visual demonstration.

President Ellis requests a simple structure so residents can figure out easily what the cost of water is.

After a lengthy discussing President Ellis requested to table the Rate Structure Increase topic for the time being.

- e. Community Letter: President Ellis will draft a letter to the community of Wynola Estates with update and will be sure all Board Members have a chance to review it before it goes out.
 - f. Emergency Procedures: This will be part of the Water Policy Review.
 - g. Number of Water Board Meetings: President Ellis request referral of this item. He pointed out that Pubic Law determines that we have an established number of meetings. We have established the number at four per year unless there is a Special Meeting. President Ellis needs to research the method we need to change the number of meetings per year.
4. **Adjourn:** There being no other New Business, a motion was made by Director Franke to adjourn the Special Meeting at 1:14 p.m. and was seconded by Vice President Mitchell. The motion passed.

Respectfully Submitted,

Joyce E. Gans,
Office Manager