

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

9:00 AM, February 16, 2014

1707 Springview Road, Santa Ysabel, CA 92070

Director Bernard called the meeting to order at 9:00 A.M. Board Members present were: Jo Ann Bernard, President, Ray Mitchell, Water Quality Operations, Dean Stowers, VP PRD-16, Tom McDonough, Operations, and Jack Bainbridge, Operations. Staff attending were Robert Gans, Treasurer and Joyce Gans, Office Manager. Also attending were property owners William Stovall and Co-Lee Grev.

1. Approval of Agenda: The Agenda was modified to include 5.a Storage Tank discussion. Director Stowers moved to approve the modified agenda. Director Mitchell seconded the motion. Motion was approved.

2. Define Water District: The district's name is the Wynola Water District. It is a California Water district, a public agency, with oversight by the County of San Diego, Department of Environmental Health. It is listed by the County as a "Special District". It has adopted its own Bylaws and Rules and Regulations to govern its operations.

3. Mission Statement: After discussion, Director Stowers moved, Director Mitchell seconded, and the motion was approved, to adopt the following Mission Statement:

The Mission of the Wynola Water District is to provide clean, clear, potable water for the needs of the property owners of Wynola Estates on a continuing basis, meeting all applicable regulations.

4. District Priorities:

a. 2014

- 1) Well #11. The well has an operational problem with its electrical relays. This is considered urgent, and Ransom Pump & Supply has been engaged to fix the problem. The solution involves replacing the pump and certain other parts, at a total cost of about \$11,000. All Board members have been contacted and have given approval for the project. The work will begin February 17, 2014.
- 2) Storage Tanks. As discussed in the last meeting, the storage tanks are in serious need of maintenance and repair. A bid has been obtained from Superior Tank Solutions for about \$35,000. The Board attempted to get another bid from a different provider, but after reasonable investigation, no alternative firm could be identified. Director Stowers moved, and Director McDonough seconded, to approve the bid and begin the work as soon as possible. The motion passed. The funds to pay for the project will come first from available cash in the checking account at Rabobank and in the money

market account with Morgan Stanley. If necessary, one of the District's Certificates of Deposit will be cashed in.

- 3) Valve Maintenance. It was agreed to develop an annual mainline valve maintenance program. Director McDonough will research and develop the protocol.
 - 4) Pump House Maintenance. William Stovall has developed a list of maintenance tasks that are needed for the pumphouse. A tree maintenance contractor will be found to do the necessary tree clearing and chipping or removal. Daniel Dewitt is suggested. Director Stowers will contact Dewitt. He will obtain a Certificate of Insurance from Dewitt, and Director Mitchell will provide the District's contractor form for Dewitt to sign.
 - 5) Reserve Study. Co-Lee Grev has volunteered to work with Treasurer Gans to develop a reserve study that will recommend to the Board the appropriate target cash reserve to have to meet future needs for capital replacements, emergencies, and contingent litigation.
 - 6) Credit Card. The District office will develop the ability for customers to pay their water bills on-line.
 - 7) Volunteers. It was agreed that the Board needs to actively recruit more volunteers. The next opportunity for this will be at the annual community picnic in May. Directors Stowers and Bernard will lead the recruitment.
 - 8) Rates and Fees. A separate meeting will be held to consider changes in the rate structure after the Reserve Study is completed. In the meantime, a letter will be sent to all property owners discussing the need for volunteers, and talking about the likelihood that rates will have to be increased to offset increases in operating expenses and the cost of capital replacements.
- b. Two to Five Years
- 1) Office computer and printer. A new computer and printer are needed for the district office.
 - 2) Fire Hydrants. The older District fire hydrants are reaching the end of their useful lives. The District will begin replacing the oldest and least functional ones first. About seven of the 19 hydrants should be replaced by the end of 2015. The cost to replace each hydrant is about \$5,000.
 - 3) Back-up Certified Water Quality Operator. Scott Dell may be willing to become certified for this role, adding to the contributions already being made by Directors Mitchell and McDonough. Director McDonough will complete his certification by 2015.

- 4) Well Maintenance. A general policy was agreed upon that the District's wells would be maintained with a proactive, preventative maintenance approach, rather than just waiting for things to break.
- 5) Pressure Tank. An electronic transfer system may eliminate the need for having a pressure tank. This will be investigated.
- 6) Control System. The current telephone system that is used to control when wells shut on or off may become obsolete within the next several years. Investigation of alternative control systems will be investigated.

c. Five to Ten Years

- 1) Active vs. Inactive Wells. Because of the \$5,000 to \$10,000 cost to "destroy" a well, inactive wells will be "abandoned" rather than destroyed. It was noted that the most recent well to be developed, #11, cost about \$92,000.
- 2) Volunteers vs. Paid Staff. If and when the volunteer approach proves to be insufficient to meet the District's needs for operational staff, a "General Manager" will probably have to be hired, which will result in a significant increase in operating cost.

5. Budget:

How to pay for the various projects mentioned above was discussed. The District currently has about \$220,000 in cash in the accounts. There is a loss for the fiscal year to date of about \$21,000. This, together with the \$11,000 for well #11 and the \$35,000 for the storage tanks, less the \$6,000 that is already in the budget for capital replacements, will amount to a loss for the year of about \$61,000. If that rate were to continue, the District would be out of cash in about three years.

It was agreed that we need to be judicious in deciding what projects to spend money on, and that some form of increase in billing rates appeared to be inevitable.

6. Adjourn:

The meeting adjourned at 11:25 AM. The next regular Board Meeting will be at 9:00 AM, Sunday, April 13, at the Gans Residence at 1634 Oakforest Road, Santa Ysabel.

Respectfully submitted,

Joyce E. Gans

Joyce E. Gans,
Office Manager