

WYNOLA WATER DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
April 13, 2014, 9:00 AM
1634 Oakforest Road, Santa Ysabel, CA 92070

Director Bernard called the meeting to order at 9:02 AM. Board Members present were: Jo Ann Bernard, President, Ray Mitchell, Water Quality Operations, Tom McDonough, Operations, and Jack Bainbridge, Operations. Board Member Dean Stowers was unable to attend due to an employment commitment.

Staff attending were Robert Gans, Treasurer and Joyce Gans, Office Manager. Also present was Property Owner Co-Lee Grev.

1. Approval of Agenda: Director Bainbridge moved to approve the Agenda as presented. Director Mitchell seconded. The motion passed.

2. Approval of Minutes of January 15, 2014: Director Mitchell moved to approve the minutes and Director Bainbridge seconded. Motion was approved.

3. Approval of Minutes of Special Meeting (regarding Strategic Planning) of February 16, 2014. Director Bainbridge moved to approve the minutes. Director Mitchell seconded. The motion passed.

4. Old Business:

a. President's Report

President Bernard discussed various highlights of Water District activities, not covered elsewhere on the agenda. She announced that Dee Miller had hip surgery.

b. Storage Tank Cleaning/Repairs

Director Bainbridge reported on the progress of this project. The small tank is cleaned and is waiting clearance from the County Department of Environmental Health. Four Board Members and Bill Stovall have been helping coordinate work duties at the pump house for this project.

It was discussed that the Board should look into having major maintenance done on the tanks every three to four years, and that about every ten years, the major maintenance should include sandblasting of the interiors of the tanks.

Director Bainbridge has written up the procedures for the storage tank cleaning project.

c. Eagle Scout Ceremony

President Bernard, the Mitchells, and the Gans' attended the Eagle Scout ceremony for Ben Beatty, to show their appreciation for the excellent work Ben and the Scout Troop did on the fire hydrants.

The adult scout leaders of the troop expressed a willingness to take on additional community improvement projects from time to time.

d. Water Operations Report

Director Mitchell presented the highlights of water operations during the quarter. Some of these activities included repair of some leaking fire hydrants, flushing of all hydrants, repair of a water line leak on Sunnypoint, replacement of a water meter on lot #24, and replacement of the pump and motor on well #11.

It was decided that flushing of all of the fire hydrants will take place each December, and that flushing of at least the hydrants known to collect excess sediment will also be done in June each year.

The subject of a Hazardous Materials training and communication plan was discussed. We will ask former firefighter and resident Scott Dell for advice on this subject.

[Post script: Scott has reviewed our proposed plan and has agreed to teach a class for WWD Board Members and other selected support volunteers.]

5. Financial/Office Report

a. Capital Reserve Study

At this point, the agenda was placed on hold so that Co-Lee Grev could present her study of Capital Reserve recommendations for the District. Ms. Grev is a certified professional regarding Homeowners' Association reserves. Her study should be considered preliminary, as it is based on a number of assumptions that need to be reviewed.

These assumptions include: How much can the District expect to save and put into the reserve fund given the current level of revenues and expenses, what should the target funding percent be (percent of the cost of replacing the total physical infrastructure), what year should be targeted to reach the desired capital reserve, when do we project that new wells will have to be developed and what will the cost of each new well be, and should we have a reserve for potential litigation?

The Board provided additional input on these factors, and Ms. Grev is going to do some additional runs of her reserve software program, using various assumptions.

b. Quarterly Financial Report (Income and Expenditures)

Treasurer Gans presented the quarterly financial report, noting that cash had decreased by \$15,781, due to the maintenance and repair that took place during the quarter. The tank rehab project is still underway, and another \$27,000 is expected to be spent to complete the project.

To pay for this work, \$30,000 has been withdrawn from the investment accounts with Morgan Stanley.

An annual calendar of required reports, payments and other activities was presented by Bob and Joyce Gans. This schedule will be updated as needed, and will serve as a guide to make sure that important tasks take place on time.

c. Annual Audit

The three-year contract with Hosaka, Rotherham & Company is up for renewal. The existing contract is for \$3,270 a year. The new contract is for \$3,510 a year. Director Bainbridge moved and Director Mitchell seconded to approve the new contract. The motion passed.

d. Directors and Officers Insurance

An insurance agent from Barney & Barney was expect to call in to the meeting, but did not, so this subject was tabled until the Board could obtain additional guidance.

e. Rate Structure Committee

Consideration of a change in fees will be the subject of a special meeting, to take place on May 18, 2014, after the capital reserve study is completed and the District's future cash needs can be projected.

There was a question as to Proposition 218's impact on changing fees and/or rates. Director Bainbridge volunteered to review the materials.

[Note: After the meeting, Treasurer Gans reviewed the binder of historical minutes.

Minutes of July 2, 2005: "District Rate and Fee Schedule: President Huffman presented an updated copy of all the District's Fees and Rates for various services. A motion was made by Director Woods to accept the

Schedule with minor additions seconded by Vice President Mitchell. The motion passed.”

Minutes of Special Meeting February 2, 2002: “...after lengthy discussion the following structure was recommended for consideration:

<i>1-130 units</i>	<i>131-200 units</i>	<i>201 units and up</i>
<i>\$1.50 per unit</i>	<i>\$2.50 per unit</i>	<i>\$10.00 per unit</i>

A motion to accept the proposed rate structure was made by Director Franke and seconded by Director Miller. The motion passed with the following Board Members voting in favor: Ellis, Franke, Miller, and Gans. Director Mitchell abstained.”

Copy of a Letter to all Property Owners: “...The New Rate Structure. Please accept this letter as notification of the District’s intent to implement a three-tiered rate structured to your quarterly usage of water... Here are the new charges which we intend to implement July 12, 2001:

*0-200 Units/Quarter \$1.30
200-300 Units/Quarter \$2.00
Over 300 Units/Quarter \$4.00”*

(There is no indication that any of the above actions included a vote of the property owners.)

6. Water Level/Usage Report

Director Mitchell present graphs prepared by Bob Franke showing well level and water usage for the quarter. Treasurer Gans presented the usage report by property. Well levels appear to be holding steady. Well #7 was out of commission for a period. Total consumption was up about 10% from the same quarter last year. It was agreed to tighten the reporting process and add Director Bainbridge to the reporting e-mail list.

7. New Business

a. Department of Environmental Health Drought Preparedness Survey

Director Mitchell has completed this survey on the District’s behalf. The District appears to be reasonably well-prepared to take conservation actions in the event of a shortage of water supply.

b. El Centro Workshop 4/23/2014 on Sustainable Management for Small and Rural Water Systems.

Directors Bernard and Bainbridge will be attending.

c. Wynola Estates Picnic

The annual picnic is scheduled for May 17, 2014, at the Elizabeth Smothers property. This will be an opportunity to help the community understand the functions of the Water District and to recruit for volunteers. All costs of the picnic are expected to be donated.

d. Protocol for Reporting WWD Problems

The answering message on the District' main telephone, 760-765-4872, will be modified to give callers additional phone numbers to call for various needs.

8. Set the Date, Time, and Place for the Next Meeting. Adjourn.

The next regular quarterly meeting will be 9:00 AM, Sunday, July 20, 2014, at the Gans residence, 1634 Oakforest Road.

As noted above, there will be a special meeting to consider changes in billing rates and fees, following the completion of the Reserve Study.

There being no further business to discuss, upon motion made by Director Bainbridge, seconded by Director McDonough, and passed, the meeting adjourned at 11:27 AM.

Respectfully submitted,

Joyce E. Gans

Joyce E. Gans
Office Manager