

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

Wednesday, October 15, 2014, 7:00 PM
1634 Oakforest Road, Santa Ysabel, CA 92070

Director Bernard called the meeting to order at 7:00 PM. 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.

Staff attending were Robert Gans, Treasurer and Joyce Gans, Office Manager. Also present was Past WWD President Bill Stovall. Property Owners Ron and Maureen Placa joined the meeting about 7:45 PM.

1. Approval of Agenda: The Agenda was modified to add 3.D.3 Lot #24 Report and 6.C. Water Watcher Training. Director Mitchell moved approval. Director Bainbridge seconded. The motion passed.

2. Approval of Minutes of Regular Quarterly Meeting of July 20, 2014. Director Mitchell moved to approve the minutes. Director Bainbridge seconded. The motion passed.

3. Old Business:

a. President's Report

President Bernard discussed various highlights of matters in Wynola Estates, not covered elsewhere on the agenda. Also, she asked the three Board Members, Directors Mitchell, McDonough, and Bainbridge whose terms were expiring in December, if they would be willing to be re-appointed. They each responded affirmatively, with Director Mitchell adding the proviso that he would only commit to the date of expiration of his Water Operations Certification, which is in 2017. It was noted that there have been no expressions of interest from other members of the community in joining the Board.

[Note: There may be a requirement to post notices of the availability of Board positions on the bulletin Boards, at the pump house, and to put an ad in the local paper. Also, the Board of Supervisors may need to be informed. The Office Manager will check on this.]

b. Hazard Communications Plan

Director Mitchell has developed the District's Hazard Communications Plan, which is for the purpose of training individuals who may be exposed to

hazardous materials while performing Water District duties. At the moment, the only such materials are motor oil, antifreeze, and chlorine. Director Mitchell recommended, and the Board agreed, that all Board Members and Water Watchers should receive this training. President Bernard will arrange a time and place for this training.

c. JPIA Commitment to Excellence

JPIA has asked, and the Board agreed, that the Board demonstrate its commitment to excellence by signing a form developed for that purpose. All Board Members present signed. President Bernard will take the form to Director Stowers to sign.

d. Water Operations Report

1) Pumphouse Improvements

a. Director Mitchell reported that the 20 horsepower pump was checked by Ransom Pump and it was determined that the Clayton Valves needed to be rebuilt. It was arranged with Griswold Industries to do this work, which was completed September 30 at a cost of \$1,800. Griswold says that the pump needs to be inspected at least once a year, and replaced about every three years.

b. There have been some complaints of low water pressure, and, upon inspection by Ransom Pump, it was apparent that the pressure switches were not operating properly. The switches were adjusted. Director Mitchell has purchased the tools and has acquired the information so that we can make these adjustments ourselves from now on.

2) Construction Water Sales

Director Mitchell arranged with the owner of Lot #46 to allow water to be used for construction at the site. A construction water meter was installed on the fire hydrant, and eight units of water were used. The owner will be billed for the water used.

3) Lot 24 Report

The owner of Lot 24 reported having low water pressure. Director Bainbridge snaked a portion of the line, which cleared the blockage.

4) Hydrant Flushing

Director McDonough confirmed that the hydrants will be flushed again in December-January, provided that there is sufficient water available. About 50,000 gallons were used the last time the hydrants were flushed.

e. Rate Structure Change

As required by Proposition 218, the formal rate study by Michael Thomas Stewart, P.E., has been completed and a final report issued. The conclusions of the study are:

- Current revenue is insufficient and should more than double
- Current reserves are deficient as much as \$500,000
- Current revenue is too dependent upon variable income (rates)
- Larger water users are unfairly and heavily subsidizing lesser and non-users due to low fixed fees and assessments

A summary of his recommendations is:

- Include more cost in the "Fixed Cost" category
- Raise fixed assessments up to \$800 per lot annually
- Maintain \$15,000 to \$22,000 Operational Reserve
- Maintain Tier 1 rate to cover variable costs and minimal fixed costs
- Continue use of Tiers 2 and 3 to discourage abuse
- Target \$107,000 annual revenue for operations and maintenance and for capital reserve
- Have a qualified engineer analyze costs of facilities and operations

The next steps are:

- Send a letter to all property owners, describing the proposed changes in the rate structure and giving them 45 days notice of a public hearing to consider the changes. Directors Bernard and Bainbridge will write the letter.
- Hold the hearing at a neutral, nearby location. Spencer Valley School was suggested. If a majority of property owners object in writing to the increase, the rate changes are defeated.
- If the rate changes are approved, usage rate and maintenance fee changes would be effective with the next billing. The annual Water Availability assessment through property taxes would be effective with the tax bills for Fiscal 2015-2016.

4. Finance/Office Report

a. Quarterly

Treasurer Gans reported that the District had a loss for the quarter just ended of \$6,304, compared to the budgeted loss of \$10,750. The favorable variance was due to the collection of a \$5,000 new meter fee. It was noted that cash has been steadily decreasing, due to major maintenance projects. Cash and Investments at Morgan Stanley are at \$176,723. It was decided not to reinvest \$25,000 from a CD that matured, but to keep the funds available for additional major maintenance.

b. Audit

The annual audit report was distributed. The auditors had no adverse findings and no recommendations for changes in financial operations.

c. WWD Calendar Review

The District is current with all tasks listed in the annual calendar. The calendar lists only administrative matters, and it was agreed that a similar calendar should be created for operations, in conjunction with the Operations Manual that is being developed.

d. Major Maintenance and Capital Expenditures for remainder of Fiscal Year

The only significant expenditure that is scheduled is for completion of certain mandated water testing. The remaining cost is approximately \$8,000.

e. \$200 donation from Ron Placa

Property owner Ron Placa has made a \$200 donation to the WWD and the HOA. It was decided to use the donation for the next annual picnic, which is an event sponsored by both organizations.

f. Past Dues

A certified letter will be sent to the owners of lot #43 regarding their past due bill.

5. Water Level/Usage Report

Water levels continue to be at a historic low, and conservation efforts need to continue. It was noted that usage for the quarter was 11% lower than the 3rd quarter of 2013 and 24% lower than the same quarter of 2012, so the letter that was sent to all property owners must be having some effect.

Water levels are monitored on a biweekly basis and the Board will be notified if they reach an alarmingly low level. Since we are just entering the rainy season, it is hoped that drastic action will not be necessary.

6. New Business

a. Bob Franke Recognition

President Bernard will have a plaque made to present to Bob Franke in recognition of his many years of selfless service to the WWD.

b. Potential Regulatory Changes regarding California Drought

Concern was expressed that, if the state-wide drought continues, all water districts may be faced with regulatory changes to further conservation and/or raise funds to deal with the problem. It was acknowledged that the more that WWD can do to promote conservation the better.

c. Water Watcher Training

Director Bainbridge will arrange for training of the water watchers at the pump house.

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

The next regular quarterly meeting will be at 9:00 AM, Saturday, January 17, 2015. The meeting will be held at the Gans residence, 1634 Oakforest Road.

There being no further business to discuss, upon motion made by Director Mitchell, seconded by Director McDonough, and passed, the meeting adjourned at 9:05 PM.

Respectfully submitted,

Joyce E. Gans

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Office Manager