

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

9:00 AM, Saturday, April 23, 2016
Jeremy's On The Hill, Santa Ysabel, CA 92070

President Bernard called the meeting to order at 9:04 A.M. Board Members present were: Jo Ann Bernard, President, Jack Bainbridge, Vice President, Ray Mitchell, Water Quality Operations, Mike Asmussen, PRD-16 and Tom McDonough, Operations. Tim Taschler, volunteer office manager was present as were property owners Dee Miller, Debbie Bainbridge, Ron Placa, Rick Strait, Albert Simonson, Bill Stovall, Co-Lee Grev, and Jim and Jean Resetco.

Mike Asmussen presented a plaque to Jack Bainbridge that he had made to recognize Director Bainbridge's hard work in successfully overseeing the pump house equipment repairs.

1. Approval of Agenda: Director McDonough moved to approve the agenda and Director Bainbridge seconded. The motion passed.

2. Approval of Minutes of Regular Board Meeting of January 16, 2016: Director Mitchell moved to approve the minutes and Director McDonough seconded. The motion passed.

3. Unfinished Business:

- A. President's Report. President Bernard reported that there have been three deaths in the community: John Lutes, Miriam Alsop and Patricia Huffman.
- B. Water Operations and Testing. Director Bainbridge presented the Operations Report.
- 1) Well Summaries: well depth charts were passed around and it was noted that well water levels have recovered slightly but are still below the levels at this time last year . Well production charts were passed around and it was noted that water sales were down 19% from last quarter and down 33% from the 1st quarter of 2015.
 - 2) Pressure tank replacement pictures were passed around and it was noted repairs were successful. New pump house equipment pictures were passed around.
 - One of the property owners asked about overall cost of all the repairs and was told it was approximately \$140,000.
 - 3) The 45+year old, 66,000 gallon storage tank has a non-repairable leak and the interior of the smaller tank needs to be recoated. Director Bainbridge explained that Superior Tank has quoted WWD a price of \$115-125,000 to do the work on both storage tanks. Work on the 66,000 gallon tank could begin in August while work on the 44,000 gallon tank should be delayed until January 2017 when wildfire risks are reduced.
 - 4) Conservation chart was passed around showing that we are meeting state requirements.
 - One of the property owners asked if we were at risk of being fined by the State and Director Bainbridge explained that we were in compliance and a fine was unlikely.
 - 5) SDG&E is requiring us to convert to "time of use" metering, where electricity rates during peak usage hours may be higher than at other times. All WWD accounts are classified as "commercial" for purposes of determining electricity billing rates. Information about this change will be put on the website.
 - One of the property owners asked if WWD's electricity bill would benefit from lower water usage when an electrical "Reduce Your Use " day is declared? It was explained that the pump house electricity load is directly impacted by when water is being used. Therefore , if water use was reduced during the "Reduce Your Use" times, WWD's electricity cost would be less. Once the automatic Call For Water system is functional again, WWD plans to install a time clock to force the wells to run late at night as much as possible to reduce electricity cost for well operation.
 - 6) President Bernard explained that with the large storage tank out of service, the wells have been controlled manually since December. She discussed the upgrades that need to be implemented in

the call-for-water systems control and that a contractor had been requested to prepare an estimate for the work.

- 7) On April 7, the WWD customers were requested to curtail water use from 9:00 AM to noon to allow repair of a pipe between the storage tanks and the pressure tank. The pipe repair was completed by 12:15 pm and due to the cooperation of our customers water pressure was maintained in the distribution system throughout the repair.
- 8) The following comments were made by the residents in attendance at the meeting:
 - One of the property owners commented that more transparency is needed so that residents are more informed as to the workings of the WWD. Office manager Taschler explained that the board would be looking at a new website that would be more informative and kept up to date.
 - One of the property owners asked about iron bacteria in the water and whether it could be chlorinated and Director Mitchell explained that our water district is not allowed to treat the water.

4. Consumer Confidence Report: Director Mitchell reported that the CCR was sent with the quarterly billing (either by email or postal mail) and was also posted on the website. He explained about the testing protocol required by California Code and that our test results were all within proper parameters.

5. Financial/Office Report:

- A. Office manager Taschler presented in lieu of Treasurer Gans who was out of town. The financial report for the quarter showed water sales were 28% under budget and were down 33% year-over-year. Year-to-date losses are \$135,000 due to the pressure tank replacement. It was noted that we will have to do a much better job with budgets going forward. There will be 13.6% reduction in overall expenses going forward due to cost cutting in office overhead. Current reserves are \$65,000.
- B. Proposed Office Fee Changes were explained by Taschler:
 1. Director Asmussen motioned to charge \$5.00 for paper invoices, Director Mitchell seconded and the motion passed.
 2. Director Mitchell motioned to implement a \$300 property transfer or billing name change fee, Director Bainbridge seconded and the motion passed.
 3. Director Bainbridge motioned that late fees would be 10% or \$20, whichever was greater, Director Mitchell seconded and the motion passed.
 4. Director Mitchell motioned that the WWD website be changed to www.wynolawaterdistrict.com and that volunteer Coko Brown would keep it updated as required, Director Asmussen seconded and the motion passed.

6. Storage Tank Project:

- A. President Bernard explained the \$50,000 Neighborhood Reinvestment Grant that WWD was awarded on 4/12/16. The grant is to be used for paying part of the \$115-125,000 for work to be done on both storage tanks and was granted based on customers covering the balance. The larger tank needs to be repaired before fire season which means that additional funding must be put in place immediately. In addition, the grant requires the work to be completed within one year from the date the grant was approved.
- B. There was a discussion among both board members and residents about the implementation of this special assessment, its timing and its collectability. It was concluded that a special assessment of \$1,000 per lot (all 86 lots) would be best. Director Bainbridge motioned that there be a \$1,000 special assessment to each lot with payment due by June 15, 2106, Director Asmussen seconded and the motion passed.
 - One of the property owners expressed concern that the board won't collect from each and every lot owner and office manager Taschler assured him that all assessments would be collected.
 - When the possibility of a payment plan was discussed, one of the property owners raised a concern about penalizing someone if they needed to spread their payments out over 2 or 4

quarterly payments. It was agreed that there wouldn't be a partial payment penalty but late charges would accrue if the quarterly payments were not received by the due dates.

Director Bainbridge motioned that for those unwilling or unable to pay \$1,000 by June 15th, there would be a payment plan of two or four quarterly payments available, subject to WWD late fee policy based on quarterly payment dates, Director McDonough seconded and the motion passed.

- C. Director Bainbridge motioned that President Bernard be authorized to execute the grant paperwork for the \$50,000 NRP grant, Director Mitchell seconded and the motion passed.
- D. Director Bainbridge motioned that the contract with Superior Tank for the storage tank work be negotiated and finalized, Director McDonough seconded and the motion passed.
- E. President Bernard asked for volunteers to draft and send a letter to customers about the assessment and then volunteered, along with Director Bainbridge and office manager Taschler to be on the letter committee. Director Bainbridge motioned that the letter committee send the letter to customers as soon as possible, Director McDonough seconded and the motion passed.
- F. In response to property owner comments on what will be done to address building reserves back to cover needed work, it was agreed to include a review of rates and budgeting at the next quarterly meeting in July.

7. PRD-16 Regular PRD-16 meeting was postponed to the July 9th meeting.

8. Adjourn:

The next regular quarterly meeting of the Board was set for 9:00 AM, Saturday, July 9, 2016, at a location to be determined.

There being no further business to discuss, upon motion by Director Asmussen, seconded by Director Mitchell, and passed unanimously, the meeting adjourned at 11:05 AM.

Respectfully submitted,
Tim Taschler
Office Manager