Final
Board of Directors
Wynola Water District
Saturday, July 11, 2026
22135 CA-79, Santa Ysabel, CA 92070

1. Call to Order: 9:00 am
2. Roll Call of Board of Directors:
    - Jim Madaffer, President-present
    - Sandie McCann, Vice President-present
    - Brenden Kelso, Treasurer-present
    - Steve Kincaid-Resigned, to be filled
    - Ken Weber-present
3. Additions to the Agenda-none
4. Approval of meeting minutes of May 9, 2026. Motion by Weber and second by Madaffer to approve minutes. Approved 4 Ayes, 0 Noes, 0 absent.
5. Public Comment – Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. People addressing the Board are requested to state their name and address for the record.
    - Water Quality: A resident noted that water quality has improved, with less brown staining.
6. Treasurer's Report:
    - Chase Checking: $2,321.67, Savings 46,806.64.
    - Community Valley Bank Savings $1,000
    - CD (Frontwave): $103,181.34
    - Total Cash Assets: Approximately $153,309.65
    - Expecting $62,914.96 reimbursement from the San Diego Regional Fire Foundation
7. Office Manager's Report
    - Water Bills were delayed and are expected to go out next week. Expected Revenue $39,259.07
8. Old Business:
    a) Report by Board President Jim Madaffer (this will include the actions taken to date since the last Board meeting on April 11, 2026)
        i. Board Vacancy: The board addressed the vacancy for seat number one, following the resignation of Steve Kincaid. Dave Resetco was the sole applicant, and after a brief introduction, the board appointed Dave Resetco to the board, following a motion from McCann and a second from Kelso. Approved with 4 Ayes, 0 Noes. This seat, number one, will end on December 7, 2026. Two other board seats will expire in December 2026 as well; seat 3 which is held by Ken Weber and Seat 4 held by Brenden Kelso, Treasurer.
        ii. Grants & Planning
            a. $500,000 state grant for emergency generator at well 11 is still waiting for the generator to be delivered. Should be here in September or October.

b. $758,000 state grant for design and engineering of the water treatment grant is underway. The Geotechnical testing for the 350,000-gallon water tank was successful. We learned the testing of our PFAS are low so we do not need to add treatment for it. Will make sure there is room to add it when needed. The district is in good standing to receive additional state funding for the building of the water treatment system, estimated at 2-4 million after the design is completed.

iii. Well Status and Operation Report

- Well 3: Back online after good samples were obtained. Last month this well supplied 35,000 gallons to the community.
- Well 5: Turned off as it is not working well.
- Well 7: Operational but requires pump maintenance, which is deferred until funds are available. Transducer install failed past "320"; proposal to pull pump. This well supplied 108,000 gallons last month
- Well 9: Remains offline for months due to casing corrosion. Future repairs are estimated at around $130,000.
- Well 10: Following a $132,000 rebuild, this well is now the best producing well. Waiting for SDG&E to turn off power for final electrical work to complete the concrete and fencing. Currently the power is coming from decommissioned Well 8. This well, the best producer supplied 298,000 gallons last month.
- Well 11: Functional with new VFD and transducer; multiple disinfection flushes after prior bacteriological issues; one good sample achieved; plan to bring online Monday, contingent on compliance sampling.
- Well Monitoring Equipment: A proposal was made to upgrade inaccurate sonic senders to more accurate pressure transducers for about $2,500 per well. This will be considered after the rate study.
- Iron & Manganese: Better testing results overall as due to Tim Guishard's ability to mix the available water to keep the levels down.

iv. Rate Study:

- Please see Jim Madaffer's open remarks prior to introducing Abigail and Jamie, consultants for RCAC. See addendum A.
- Abigail Siemon and Jamie Steyer from the Rural Community Assistance Corporation (RCAC) presented a preliminary rate study. The last study was in 2017, and cumulative inflation since then is 34.3%.
- The study is necessary due to aging infrastructure (e.g., 6-inch concrete asbestos pipes from 1969), an operating deficit, and the board's fiduciary duty.

- The rate study is split into two phases and is funded by an EPA grant at no cost to the district.

v. Proposed Water Increase:

- Financial Justification: Revenues (~$150,000 from rates) do not cover O&M expenses ($277,000), creating a deficit that is depleting reserves. The recommended minimum reserve level is $131,025. Without rate increases, the fund balance will go negative.
- Capital Needs: The district has significant asset replacement needs are estimated at $11 million. including a pipeline project replacement estimated at $5,000,000. Full funding is unaffordable, so the proposal is to fund 5% of asset replacement annually to build reserves.

vi. Rate and billing options under consideration:

- Option 1: 40% initial increase, then 20%, 10%, 10% annually (includes asset replacement funding). Fund balance should grow to $780,000 by year 5.
- Option 2: Option 2 (35% initial increase): Funds O&M and CIP only; same subsequent increases; fund balance dips below minimum reserve (to < $50,000) before recovering by year five.
- Property Taxes: The idea of using property taxes to fund capital costs was discussed, pending an opinion from county counsel. Placing rates on property tax roll creates cash flow timing challenges (annual receipts) but may reduce monthly bill burden; property tax is tax-deductible for some. The district currently receives $150 per lot, per year from property tax collected.
- Tiered Rates: Deemed too legally risky at present as there is litigation in the courts with water systems using tiered rates.
- General preference expressed for the 40% option to build reserves and support long-term stability; doing less than 35% viewed as irresponsible. Decisions deferred pending RCAC analysis and public input.
- Billing Change: Move from quarterly to monthly billing was proposed. Meters read once a quarter, residents could pay the bill in full or in thirds.
- Meter Differentiation: Higher rate for larger meters. Attendees not in favor.
- Fire Protection Rate: A 20% charge for homes with fire sprinklers. Attendees not in favor.
- Low Incomes: Concerns for how the residents on lower fixed incomes will pay their water bills.
- Proposition 218 Overview: Rate payers will be mailed the details on the proposed rates. Hold a public hearing, at least 45 days after mailing the notice. If 50% + 1 customers submit a written protest, the rates will not be adopted. Adopted rates are the maximum that the Board can adopt in any year.
- Complete Power Point is attached, see addendum B. The full presentation can be found on the website within the recorded minutes.

9. New Business: None
10. Motion to adjourn at 11:05 am

Next Meeting: Saturday, July 8, 2026, 9:00 am @ Santa Ysabel Nature Center.