Approved

Board of Directors
Wynola Water District
Saturday, August 15, 2026
22135 CA-79, Santa Ysabel, CA 92070

1. Call to Order: 9:08 am
2. Roll Call of Board of Directors:
    - Jim Madaffer, President-present
    - Sandie McCann, Vice President-present
    - Brenden Kelso, Treasurer-excused
    - David Resetco- present
    - Ken Weber-present
3. Additions to the Agenda-none
4. Approval of meeting minutes of July 11, 2026. Motion by Weber and second by McCann to approve minutes. Approved 4 Ayes, 0 Noes, 1 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 Meters: A resident inquired about the status of water meter replacements on Glenside. The process is iterative: holes were dug, an assessment of parts was completed, and parts are on order. The next step is installing new boxes and meters.
    - Portable Toilet: A resident on Oak Forest noted a portable toilet has been on their property for nearly three months. It was explained that it supports the Well 11 generator construction. The generator is expected in October 2026, after which the toilet will be moved back behind the pump house. It was also moved from Well 3 due to concerns that the odor from the portable toilet was affecting water sample purity.
    - HOA Meeting Announcement: The new president of the local Homeowners Association,(HOA), Robin Madaffer announced monthly meetings from September through December 2026 to update its CC&Rs, with the next meeting on September 12, 2026
6. Treasurer's Report:
    - Chase Checking: $11651.85, Savings 46,806.64.
    - Community Valley Bank Savings $1,000
    - CD (Frontwave): $103,181.34
    - Total Cash Assets: Approximately $162,639.83
    - Accounts Payable are currently $83,000 owed to Stehly Brothers
    - Resident emailed concerned about the rate increase, especially for property owners not hooked up to the water system-vacant lots.
7. Office Manager's Report
    I. Dan Richards' house on Riverwood is expected to close on August 12, 2026. Need to get information on the new owners

8. Old Business:
    a) Report by Board President Jim Madaffer (this will include the actions taken to date since the last Board meeting on July 11, 2026)
        I. Text Notification System: The board encouraged residents to sign up for the text notification system. A new QR code has been created to simplify subscription and will be posted on bulletin boards. Residents requested that follow-up texts be sent after a tank-drop alert is resolved to reduce anxiety, especially for non-resident owners. The system is also used for local safety issues like loose animals
        II. Website and Communication: It was noted that the current QR code on the agenda links to Zoom meetings, not the website. The board plans to email information to everyone and acknowledged the need to provide personalized help to neighbors with limited tech access or who lack smartphones. The WWDS mailbox remains active at the Kincaid/judge's house.
        III. Water Sale: The district authorized the sale of 20,000 gallons of water to a contractor for a drainage project near Spencer Valley School. This concerned residents who saw the water truck and feared water theft, a historical issue. The board discussed formalizing a price for selling water for small construction needs in the area. This would not apply to large projects.
    b) Well Status and Operation Report
        - Well 9: The well is broken, with repair estimated at $130,000 to $200,000 The rehab is currently deferred to year five of the capital plan rate increase, unless a failure accelerates the need.
        - Well 10: The rebuild cost $133,000. The contractor, Stanley Brothers, is allowing the district to pay this off in interest-free monthly installments of $10,000.
        - Well 11: A $500,000 grant funded a new generator. The APCD application is complete, conduit is installed, and the district is awaiting an electrician and SDG&E coordination. VFDs were installed to reduce water hammer and protect pipes
        - Water Quality & Compliance: The district faces new regulatory requirements. This includes lead assessments, PFAS/chromium-6/nitrate/manganese testing, physical tank inspections every five years, and cross-connection control policies. Lead testing in older homes has been passing, indicating no issues are likely on the customer side. Infrastructure upgrades are underway, including installing state-compliant bacteriological sample taps with chrome fixtures which is very expensive.
        - SCADA System: Our Water Operator is using the SCADA system for blending and prioritizing higher-quality water sources (e.g., Well 10 over Well 11), improving overall water quality while managing well stress. Our test results for iron & manganese are better overall because of Tim Guishard's ability to mix the available water to keep the levels down.

- A recent replacement of a corroded galvanized line on the district side on Oak Forest cost the district $5,000-$8,000. Hopefully as we expose the meters we will not find any more that need expensive repairs.
- Home Generators: Maintenance for SDG&E-provided home generators (approx. 70-72 units) is covered for five years, after which owners are responsible. A group-rate servicing contract via an RFP was proposed. The water district or HOA will investigate getting a competitive bid

c) Rate Study Proposed Water Increase:

I. 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. Abigail Siemon and Jamie Steyer from the Rural Community Assistance Corporation (RCAC) presented a preliminary rate study at the prior board meeting & offered clarification of the questions asked at that meeting.

II. Financial Health: The district currently has $162,639.83 in the bank, with receivables under $5,000 and accounts payable of $83,725, primarily for the Well 10 rebuild. The cash reserve had dropped to $100,000 before a recent $62,000 grant check. As of June 30, 2026, the fund balance is $182,324, which is above the recommended minimum reserve of $131,025.

III. Financial Projections: Without rate increases, projections show the fund balance will be depleted, leading to an $800,000 deficit by the fifth year as expenses will outpace revenues. For 2026, operating costs are estimated at $277,605 versus revenues of $206,000, creating an operating deficit.

IV. Asset Management: The historical value of assets is $800k, but the replacement value is estimated at $11,393,054 71,000 (5% of full funding) to reserves.

V. Proposition 218 Rate Process: The district is advancing a Prop 218 rate increase process. The board plans to docket the resolution at the September 12, 2026, meeting. Two rate increase options were presented: Option 1 (35% increase in year one) and Option 2 (40% increase in year one), with the latter being more aggressive to fund asset replacement and provide a larger cushion.

VI. Rate Structure: The current structure is $190.57 per quarter fixed, plus a volumetric charge. 60% of revenue comes from volumetric charges, making income vulnerable. A proposal was made to restructure rates to increase the fixed charge from $63 to $126 per month and decrease the volumetric rate to better align with the district's 57% fixed costs. This would stabilize revenue, as low usage during droughts reduces revenue. It would proportionally impact low-usage customers more.

VII. Billing Cadence: The board and residents debated the billing schedule. The current system is quarterly meter reads and quarterly billing. A proposal was made to keep quarterly reads but allow optional monthly billing by dividing

the quarterly bill into three. While a minority supported monthly billing, most attendees preferred keeping the quarterly system due to concerns about cash flow impacts during the transition. An opt-in monthly payment plan was suggested as a compromise for those who struggle with larger quarterly payments.

VIII. Payment Fees: The district absorbs approximately 3% in credit card processing fees, as Intuit QuickBooks does not currently allow passing these fees to customers.

IX. Undeveloped Lots & Connection Fees: A property owner with an undeveloped lot objected to a $45 quarterly fee. This sparked a debate on whether such lots should contribute to infrastructure costs. It was noted that new connections should pay a capacity or catch-up fee to reflect prior investments. A published $10,000 capacity/connection fee was cited. The term “standby charge” was identified as legally sensitive, with a preference to use fixed or capital charges instead. Most attendees thought with or without waster usage, all should contribute the maintenance fees

X. Property Tax Assessment: The board is exploring moving some fixed costs to the annual property tax bill. The county council is researching if the district’s 1969 formation provides grandfathered rights to raise this assessment with a simple board vote.

XI. Low-Income Assistance: A low-income rate assistance program was discussed, but Prop 218 restricts using rate revenue for subsidies. It would need to be funded by non-rate revenues like cell tower leases or donations.

XII. Governance Scope: The board discussed renaming from “water board” to “utility board” to reflect broader responsibilities. A review of 1969 bylaws indicates broad authority, leading to consideration of whether the district should oversee the PRD-16 (road district) instead of a separate volunteer board.

9. New Business: None

10. Motion to adjourn at 10:47 am

Next Meeting: Saturday, October 10, 2026, 9:00 am @ Santa Ysabel Nature Center.