

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
July 23, 2007**

The Regular Meeting of the Board of Directors of the Yuima Municipal Water District was held at the office of the District, 34928 Valley Center Road, Pauma Valley, California on Monday, the 23rd day of July, 2007.

**Regular
Meeting
7/23/07**

1. ROLL CALL – DETERMINATION OF QUORUM

Call to Order

President Knutson called the meeting to order at 2:00 p.m.

Directors Present:

Present

W.D. Knutson, President
George Stockton, Secretary
Mike Fitzsimmons
John B. Lyttle

Directors Absent:

Absent

Douglas K. Anderson, Vice-President

Present

Others Present:

Linden A. Burzell, General Manager
Lori A. Johnson, Director of Finance
Bob Fowler, Director of Operations & Maintenance
Linden R. Burzell, Engineer
Tony Morgan, Lane Christensen

President Knutson declared that a quorum of the Board was present.

**Quorum
Present**

2. ADDITIONS TO AGENDA

There were no additions to the agenda.

**Additions to
agenda: none**

3. PUBLIC COMMENTS

President Knutson opened the public comment period. No comments from the public were forthcoming.

**Public
Comments:
None**

I. CONSENT CALENDAR

Following review of the Consent Calendar, and noting the revision to the Government Code §53065.5 reporting total for June, a motion was offered by Director Stockton, seconded by Director Lyttle, to approve the Consent Calendar, namely; approval of the Minutes of the Regular Meeting of June 25, 2007 and the Accounts Paid and Payables for June.

**Consent
Calendar

Minutes of
Regular
Meeting
6/25/07**

II. ACTION/DISCUSSION

- II-2 Proposed Resolution Authorizing the Appropriation of \$125,000 from Yuima Capital Reserves to Yuima 2007/08 Capital Jobs Increasing the Budget for the Matching Grant Funds Under the Local Investigations and Studies Assistance (LISA) Program of the San Diego County Water Authority (Surface Geophysical Evaluation of Pauma and Pala Groundwater Basins)

President Knutson reported Yuima's matching fund grant request has been approved by the San Diego County Water Authority in the amount of \$250,000. Manager Burzell stated that an appropriation of \$125,000 in matching funds for the geophysical study is required. He stated approximately \$125,000 is expected from the San Luis Rey Indian Water Authority and other local agencies to make up the additional funds required for the match. Manager Burzell introduced Tony Morgan from Layne Christensen Company. Mr. Morgan then briefly outlined the objectives of the proposed geophysical study, the technology involved, and the general form in which the information will be presented at the end of the study. He estimated that the study would be complete with 6-9 months of authorization to proceed.

**LISA Grant
Approved by
CWA \$250,000**

It was moved by Director Fitzsimmons, and seconded by Director Stockton, that Resolution No. 1130-07 entitled,

RESOLUTION NO. 1130-07
RESOLUTION AUTHORIZING THE APPROPRIATION OF \$125,000
FORM YUIMA CAPITAL RESERVES TO YUIMA 2007/08 CAPITAL JOBS
INCREASING THE BUDGET FOR THE MATCHING GRANT FUNDS UNDER
THE LOCAL INVESTIGATIONS AND STUDIES ASSISTANCE (LISA)
PROGRAM OF THE SAN DIEGO COUNTY WATER AUTHORITY
(Surface Geophysical Evaluation of Pauma and Pala Groundwater Basins)

**Res.#1130-07
Authorizing
Appropriation
of \$125,000 to
Yuima Capital
Projects (LISA)
(2007-08)**

was adopted by the following roll-call vote, to wit:

AYES: Knutson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: Anderson

II-1 Proposed Ordinance Finding the Necessity for and Adopting a Water Conservation Program and Rescinding Ordinance 86-04

Manager Burzell noted that there are several minor amendments to the existing conservation necessary in order to permit the District to comply with the requirements which Met is expected to impose in connection with the anticipated 30% cutback in IAWP water supplies, effective January 1, 2008. The amendments include (1) provision for a percentage cutback based on a period other than the preceding 12 months (2) allowing the General Manager to initiate a Stage IV Mandatory Compliance Water Emergency in the event of a significant actual or imminent imported water supply shortage (as opposed only to a failure of a supply or distribution facility, as now permitted) (3) to authorize reductions to a specified amount (as opposed to a percentage of use in some prior period) and to specifically authorize the imposition of irrigation schedules as a management tool in the case of State IV emergencies (not previously contemplated for agricultural customers).

Upon motion offered by Director Lyttle, seconded by Director Fitzsimmons, Ordinance No. 95-07, entitled

ORDINANCE NO. 95-07
ORDINANCE OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
FINDING THE NECESSITY FOR AND ADOPTING A
WATER CONSERVATION PROGRAM AND
RESCINDING ORDINANCE 86-04

**Ord. 95-07
Adopting a
Water
Conservation
Program**

was adopted by the following roll-call vote, to wit:

AYES: Knutson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: Anderson

II-3 Proposed Resolution Establishing a “Fixed Charge Special Assessment” for
Uncollected Charges for Water and Other Services in Accordance with Water
Code Section § 72100

Director of Finance Johnson stated that we have one water account that remains delinquent and unpaid as of July 1st. This resolution will allow the delinquent amount to be added to the tax roll for fiscal year 2007/08. Upon motion offered by Director Fitzsimmons, seconded by Director Stockton Resolution No. 1131-07, entitled:

RESOLUTION NO. 1131-07
RESOLUTION OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
ESTABLISHING A “FIXED CHARGE SPECIAL ASSESSMENT”
FOR UNCOLLECTED CHARGES FOR WATER AND OTHER
SERVICES IN ACCORDANCE WITH WATER CODE SECTION §72100

**Res. 1131-07
Establishing a
Fixed Charge
Special Assmt.**

was adopted by the following roll-call vote, to wit:

AYES: Knutson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: Anderson

II-4 Proposed Resolution Adopting the National Incident Management System,
Emergency Response Plan and Incident Command System Methodologies and
Procedures as the District’s Standard for Response to Natural Disasters and
Other Emergencies

Manager Burzell stated in order to satisfy the NIMS/SIMS compliance requirement and in order to qualify for state funding as part of a disaster response, the Feds (NIMS) require an official action be taken to recognize the NIMS system and insure that it becomes a part and parcel of the District's Response Plan. This resolution combined with associated training and experience will equal compliance. Upon motion offered by Director Fitzsimmons, seconded by Director Stockton Resolution No. 1132-07, entitled

RESOLUTION NO. 1132-07
RESOLUTION OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
ADOPTING THE NATIONAL INCIDENT MANAGEMENT
SYSTEM, EMERGENCY RESPONSE PLAN AND INCIDENT
COMMAND SYSTEM METHODOLOGIES AND PROCEDURES
AS THE DISTRICT'S STANDARD FOR RESPONSE TO
NATURAL DISASTERS AND OTHER EMERGENCIES

**Res.1132-07
Adopting
NIMS/SIMS
and Emergency
Response Plan**

was adopted by the following roll-call vote, to wit:

AYES: Knutson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: Anderson

II-5 Proposed Resolution Placing in Nomination Arlene Schafer as a Member of the California Special District Association Board of Director Representing Region 6

President Knutson stated Arlene Schafer, Costa Mesa Sanitary District has asked the Board to support her vote to continue her seat on the CSDA Board. Upon motion offered by Director Stockton, seconded by Director Fitzsimmons Resolution No. 1133-07, entitled

RESOLUTION NO. 1133-07
RESOLUTION OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
PLACING IN NOMINATION ARLENE SCHAFFER AS A
MEMBER OF THE CALIFORNIA SPECIAL DISTRICT
ASSOCIATION BOARD OF DIRECTORS
REPRESENTING REGION 6

**Res. 1133-07
Nominating
Arlene Schafer,
CSDA Region 6**

was adopted by the following roll-call vote, to wit:

AYES: Knutson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: Anderson

III. REPORTS/MEETINGS

III-1. Board Reports/Meetings

Director Knutson reported that:

- ✦ The JPIA Liability program rate remains the same for the October, 07 renewal.
- ✦ With regard to the limitations on pumping at the Banks pumping plant, the Delta Smelt have moved away from the intake but the salmon run has started. The salmon case hearing will be heard on August 27th, depending on the outcome of that hearing and future smelt-related litigation, a 50% reduction in deliveries is still possible.
- ✦ The Governor has been making numerous appearances around the state during the past week, including several stops in San Diego relative to desal and drought-related issues.

Board Reports

ACWA/JPIA

SDCWA/MWD

III-2. Administrative Report

Manager Burzell called the board's attention to his written Administrative report. He stated that a 30% cutback in IAWP supplies is still anticipated to be imposed on January 1, 2008. He passed out a draft letter to IAWP participants as well as charts of aggregated six-month historic IAWP purchases, availability to customers, and the percentage of reduction to IAWP customers. He stated as soon as the base year is determined for our customers we plan to have several meetings with our IAWP participants and their grove managers.

Administrative Report

Manager Burzell stated he received a request from the Rancho Estates Mutual Water Company to open the meter as they were faced with critically low reservoirs and no available fire flows. Approval was granted to turn the supply back on temporarily. The district did

some temporary modifications to our Cla Valve until Rancho Estates installs a backflow device.

III-3. Capital Improvement Program Review.

Manager Burzell stated that as of June 30th, the current year capital improvement program totals \$2,998,750, of which \$940,821 has been expended to date.

**Discussion on
Capital
Improvements**

III-4. Operations Report.

Director of Operations & Maintenance Fowler reported that maintenance staff is preparing for the plumbing modification on the station 1 pump relocation project.

**Operations
Report
Station 1**

III-5. Engineer's Report.

Engineer Burzell stated that the station 8 project is back on schedule. The geological report and geotechnical study which is an attachment to the plans and specifications will be available in a week. The plans and specifications will be ready for board approval in August and let to bid shortly thereafter.

**Engineer's
Report**

III-6. Counsel's Report.

Counsel was not present.

**Counsel's
Report**

III-7. Finance Report

Director of Finance Johnson called the Board's attention to the written Treasurer's report in the packet.

**Finance Reports
Treasurer's
Report**

Director of Finance Johnson reviewed the annexation charge study with the board. The goal is to have a charge that represents a fair buy-in to Yuima's infrastructure which was paid for by the existing and previous ratepayers. Yuima's present method of setting annexation charges is based upon the assumed property tax collection from fiscal 1963-64 on, based upon assessed value. She explained that this method understates the value of the

**Annexation
Charge Study**

buy-in in and (1) assessed values prior to being annexed are very low, (2) historical assessed valuation is difficult to obtain, (3) the calculation is time-consuming for staff and there is potential for errors. With the retirement of the District's general obligation bonds and subsequent reduction in property tax income, this method is no longer appropriate. Fees can be different for adjacent parcels with different assessed valuation, although the benefits received are the same. The San Diego County Water Authority and Metropolitan Water District as well as neighboring districts calculate their annexation fee on a prorated purchase of their infrastructure. This method uses infrastructure and asset values from the audited annual financial statements with an adjustment for inflation using the Engineering News Record Construction Cost Index which is readily available. Staff feels this approach is objective and easily calculated. Following discussion staff was directed to bring back an annexation policy using this methodology and fee calculation through June 30, 2007.

**Financing
Proposals**

Director of Finance Johnson reviewed the four tax-exempt financing proposals for the IDA Station 8 Tank & Appurtenances project. Following review and discussion staff was directed to bring back the documents for the Municipal Finance Corporation's proposal for \$1.5 million for 15 years at 4.58% at our August meeting.

**Station 8 Tank
Project**

**Municipal
Finance Corp.
\$1..5 mil @
4.58% for 15
years**

III-8. Joint Powers Fire Report

Manager Burzell stated that Chief O'Leary was unable to be at the meeting and there is no update on the building at this time.

**Fire District
Report**

IV. OTHER BUSINESS

none

Other Business

V. ADJOURNMENT

There being no further business to come before the board and upon motion to adjourn the meeting offered by Director Fitzsimmons, seconded by Director Stockton and carried unanimously, the meeting was adjourned at 4:41 p.m.

**Adjournment
4:41 p.m.**

approved & signed on 8/27/07

George Stockton, Secretary

ATTEST:

Approved & signed on 8/27/07

W.D. Knutson, President