

**MINUTES OF THE REGULAR ADJOURNED MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
May 27, 2008**

The Regular Adjourned 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 Tuesday, the 27th day of May, 2008.

**Regular
Adj. Meeting
05/27/08**

1. ROLL CALL – DETERMINATION OF QUORUM

Call to Order

The President, W.D. Knutson called the meeting to order at 2:00 p.m.

Directors Present:

Present

W.D. Knutson, President
Douglas K. Anderson, Vice-President
George Stockton, Secretary
Mike Fitzsimmons
John B. Lyttle

Directors Absent:

Absent

None

Others Present:

**Others
Present**

Linden A. Burzell, General Manager
Lori A. Johnson, Director of Finance
Bob Fowler, Director of Operations & Maintenance
Leigh Wood-Dudash, Layne GeoScience
Mike Bratton, Division Chief, CalFire
John Kremenski, Battalion Chief CalFire
Kevin O’Leary, Division Chief CalFire

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

**Quorum
Present**

2. ADDITIONS TO AGENDA

None.

**Additions to
Agenda:
None**

3. PUBLIC COMMENTS

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

I. CONSENT CALENDAR

Following review of the Consent Calendar, a motion was offered by Director Fitzsimmons, seconded by Director Lyttle to approve the Consent Calendar items as presented, namely; approval of the Minutes of the Regular Meeting of April 28, 2008; the Accounts Paid and Payables for April, 2008, the Financial Reports for April, 2008; and Resolutions, entitled:

RESOLUTION NO. 1175-08

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE YUIMA MUNICIPAL WATER DISTRICT
AMENDING EMPLOYEE MANUAL (PROBATION PERIOD – SECTION 13-C);
CLARIFICATION AND GENERAL INFORMATION – SECTION 15-A; HEALTH
INSURANCE SECTION 16-E; VISION INSURANCE – SECTION 16-H; MEDICAL
LEAVE WITHOUT PAY – SECTION 17-E & F; GRIEVANCE PROCEDURES –
SECTION 24B; DISTRICT VEHICLES – SECTION 26-A; PERSONAL VEHICLES –
SECTION 26-B; JOB DESCRIPTIONS – SECTIONS 32-A-E, J & K;
PAY RANGE SCHEDULE – SECTION 33-D

And

RESOLUTION NO. 1176-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YUIMA MUNICIPAL WATER DISTRICT
EXTENDING CONGRATULATIONS TO KEVIN O’LEARY UPON
HIS PROMOTION TO DIVISION CHIEF

The motion was carried by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

**Public
Comments:
None**

**Consent
Calendar**

**Minutes of
Regular
Meeting
4/28/08**

**Accounts Paid
and Payable
Acceptance of
April Financial
Reports**

**Res. 1175-08:
Amendments to
Employee
Manual**

**Res. 1176-08:
Extending
Congratulations
to Kevin
O’Leary –
Promotion to
Division Chief**

II. SPECIAL REPORTS

1. Joint Powers Fire Report

Chief Kremenski presented the incident statistics for the month of April. He noted that there was a small grass fire near the Lyall Roberts airstrip. Grove vegetation clearance on a dead grove on South Mesa Drive has been completed. Progress toward completion of the new equipment building was discussed. A project plan including the building conceptual plan, contracted services required and services donated that have been completed and or committed for the project by local licensed contractors was presented. Director Anderson pointed out the importance of including rain gutters over doorways. It was noted that architectural rain gutters and downspouts on both sides of the building will be included.

**Joint Powers
Fire Report**

**Update on
Building Project**

**Public Hearing:
Water
Availability
Charge**

III. ACTION/DISCUSSION

**III-1. PUBLIC HEARING ON PROPOSED SCHEDULE OF WATER
AVAILABILITY CHARGES**

President Knutson called the Hearing to order at 2:10 pm. No written or oral comments were received in advance or presented at the meeting. The hearing was closed at 2:12 p.m.

**Ord 99-08
Fixing Water
Availability
Charge**

Following discussion and upon a motion offered by Director Fitzsimmons, seconded by Director Stockton,

ORDINANCE 99-08

**ORDINANCE OF THE BOARD OF DIRECTORS OF THE
YUIMA MUNICIPAL WATER DISTRICT
FIXING A WATER AVAILABILITY CHARGE FOR
YUIMA MUNICIPAL WATER DISTRICT
FOR FISCAL YEAR 2008-09**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

III-2. RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT CONCERNING USE AND DEVELOPMENT OF WATER (The David H. Schmidt Trust – APN 132-280-26)

Res. No. 1177-08: Schmidt Well Agreement

Following discussion and upon a motion by Director Fitzsimmons, seconded by Director Stockton, resolution motion entitled:

RESOLUTION NO. 1177-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YUIMA MUNICIPAL WATER DISTRICT
AUTHORIZING EXECUTION OF AGREEMENT CONCERNING USE AND
DEVELOPMENT OF WATER
(The David H. Schmidt Trust – AP No. 132-280-26)

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

III-3. RESOLUTION REJECTING ALL BIDS FOR DRILLING A PILOT HOLE AND DOMESTIC WATER WELL – REPLACEMENT OF DOMESTIC WATER WELL NO. 8

Res. No. 1178-08
Rejecting All Bids for Well No. 8

Manager Burzell reported that only one bid was presented for the Well No. 8 replacement project. It was determined that the bid was excessively high and therefore unacceptable. Upon a motion by Director Stockton, seconded by Director Anderson,

RESOLUTION NO. 1178-08

OF THE BOARD OF DIRECTORS
OF THE YUIMA MUNICIPAL WATER DISTRICT
REJECTING ALL BIDS FOR DRILLING A PILOT

HOLE AND DOMESTIC WATER WELL – PREPLACEMENT OF
DOMESTIC WATER WELL NO. 8

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

**Discussion
Regarding
Annexations –
No Action**

III-4. DISCUSSION REGARDING ANNEXATIONS

The Board discussed the policy implications of the current drought and water shortages attributable to issues in the Delta. The board was briefed by President Knutson on the policy discussions at SDCWA regarding the proposed Erreca annexation. After discussion, no amendment to the District’s current policy with regard to annexations was offered.

III-5. EMPLOYEE RECOGNITION COMMITTEE REPORT

Director Stockton reviewed the recommendations of the ERC committee, and moved that the Board direct the General Manager to develop a plan to implement a six-month trial of a “9/80” alternative work schedule for all District employees. The plan should call for the trial to begin prior to January 1, 2009, and should be submitted to the board for consideration at its June meeting. After a discussion and upon a motion by Director Anderson, seconded by Director Lyttle, the motion was adopted unanimously.

**ERC Cmte.
Report: GM to
develop
alternative
“9/80” work
schedule**

IV. INFORMATION/REPORTS

IV-1. Board Reports/Meetings

Board Reports

Director Knutson reported that:

- ❖ Because of opposition from a number of northern Met member agencies, the IAWP program is very unlikely to be renewed; the best we can hope for is an orderly liquidation of the program over the next few years. The Met board has authorized a 6-month study to determine how to deal with this matter.
- ❖ Because of the growing State budget deficit, new ERAF-like shifts of property tax revenues are likely
- ❖ SDCWA has sold \$558 million on bonds to finance capital projects
- ❖ Mid-year changes to SDCWA/Met rates and charges will be made known on June 12th
- ❖ To more accurately reflect the current problem, Met's Drought Management Plan will be renamed the Water Supply Management Plan
- ❖ In order to be able to treat water from Lake Hodges, Olivenhain Water District will have to upgrade its existing treatment plant at a cost of about \$80 million

SDCWA

IV- 2. Administrative Report

Manager Burzell called the board's attention to his written Administrative report; there were no questions.

Admin. Report

IV-3. Capital Improvement Program

Manager Burzell reviewed progress on the CIP program; there were no questions.

Capital Improvement Program

IV-4. Operations

Operations Director Fowler reviewed his Operations Report; there were no questions. He noted the Consumer Confidence Report for 2007 is included in the packet for review and will be mailed out the first week in June and posted on the district's web site. He also noted that the 1.5" of rain we received last week brought the fiscal year totals to date of 22.51" at the Barrett location on the top of Quail Drive and 17.45" at our shop.

Ops Report

IV-5. Engineer's Report

Engineer Burzell was not present.

Engineer Not Present

IV-6. Counsel's Report

Counsel Scott was not present.

Counsel Not Present

IV-7. Finance Report

Director of Finance Johnson updated the board on the audit process. She stated the auditors from Teaman, Ramirez and Smith brought in their audit team at the beginning of May. They were here for a week test checking water bills, receivables, inventory, payroll, accounts payable, bank accounts, journal entries, interviews with staff, checking policies and procedures and fraud issues. They presented nine minor situations to resolve and staff has promptly implemented and resolved all issues. The audit team complemented staff on the policies and procedures we have in place for being a small district and they were please with the order of our accounting records and the competency of our accounting staff as well as the internal controls that are in place. They will return in September for the close of fiscal year 2007-08.

Finance Report

**2007-08
Audit update**

Director of Finance Johnson updated the board on the proposals received for Actuarial Study on Post Retirement Benefits to comply with the reporting requirements of the Government Accounting Standard Board - GASB 45. Twelve RFP's were sent out to actuarial firms in San Diego County. The last actuarial valuation was prepared by Means & Associates in 2005 for \$1,900. Actuarial services are in great demand at this time which explains the low proposal turn-out and high proposal rates we received ranging from \$5,500 to \$6,000. There is a provision that if there are under 100 participants, (Yuima has 3) GASB 45 allows an in-house actuarial computation

**Update on
GASB 45
implementation**

alternative. Staff has discussed this with our auditors and received the audit managers concurrence on an in-house computation for 2008-09 implementation.

Director of Finance Johnson discussed with the board FEMA's the latest correspondence from the Governor's Office of Emergency Services (OES) stated that the Federal Emergency Management Agency (FEMA) denied Yuima's required that debris and mudflow damages be included under the Fire Declaration Amendment #2. Yuima has incurred about \$87,000 in costs related to debris and mudflow damage and/or emergency protective measures associated with the rain events as a direct result of the fires. We will file an appeal and have OES re-run our claim. If FEMA does not accept our claim then reimbursement from OES will be around 78% of actual costs. FEMA has accepted our claim for fire related damages in the amount of \$160,000 and has started the reimbursement process.

Director of Finance Johnson stated that we have three customers in the Improvement District A that were incorrectly classified as agricultural customers but do not qualify under the program. During the base year all their use, which was minimal, was for domestic use only. They have no agricultural planting under irrigation. Effective May 1st they were reclassified as domestic.

Director of Finance Johnson stated that the delinquent account that was transferred to the tax role last July has been paid by the title company from proceeds from a sale of other property in the county. Staff is proceeding to remove the amount from the tax roll.

**Fire/Mud slide
Damage update**

**FEMA
Application
Status**

**Reclassification
of customers**

**Deliq. Acct.
Paid**

V. OTHER BUSINESS

There was no other business.

VI. ADJOURNMENT

Upon a motion offered by Director Stockton, seconded by Director Lyttle and carried unanimously, the meeting was adjourned at 4:20 p.m. to Friday June 27, 2008 at 2:00 p.m., following the Finance Committee meeting which will be convened at 12:00 noon on that date.

**Adjourn @ 4:20
p.m.**

Original Minutes were signed
and approved on 06/27/2008.
George Stockton, Secretary

ATTEST:

Original Minutes were signed
and approved on 06/27/2008.
W.D. Knutson, President