

**MINUTES OF THE REGULAR ADJOURNED MEETING  
OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
June 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 Friday, the 27<sup>th</sup> day of June, 2008.

**Regular  
Adj. Meeting  
6/27/08**

**1. ROLL CALL – DETERMINATION OF QUORUM**

**Call to Order**

President Knutson called the meeting to order at 2:03 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

**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  
Al Serrato  
Andy Sells, Chief Finance Officer, ACWA/JPIA

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 Government Code §53065.5 reporting total for May upon a motion was offered by Director Stockton, seconded by Director Anderson, to approve the Consent Calendar with the exception of item 11 which was pulled for further discussion. The Consent Calendar, namely; approval of the Minutes of the Regular Adjourned Meeting of May 27, 2008; the Accounts Paid and Payables for May; the monthly financial reports and Resolutions entitled;

**Consent  
Calendar**

**Minutes of  
Regular Adj.  
Meeting  
5/27/08**

RESOLUTION NO. 1179-08  
RESOLUTION APPROVING AGREEMENT FOR WATER  
SERVICES AND MANAGEMENT CONTRACT FOR THE  
LAZY H MUTUAL WATER COMPANY AND  
RESCINDING RESOLUTION NO. 1122-07  
and

**Res.#1179-08  
Approving  
Agreement for  
Water Services  
& Management  
Contract  
(Lazy H MWC)**

RESOLUTION NO. 1180-08  
RESOLUTION APPROVING AGREEMENT FOR RECORD KEEPING  
AND SECRETARIAL SERVICES FOR THE MOOTAMAI MUNICIPAL  
WATER DISTRICT AND RESCINDING RESOLUTION NO. 1117-07  
and

**Res.#1180-08  
Approving  
Agreement for  
Record Keeping  
& Secretarial  
Services  
(Mootamai  
MWD)**

RESOLUTION NO. 1181-08  
RESOLUTION AUTHORIZING AGREEMENT FOR  
EMERGENCY AND SUPPORT SERVICES FOR THE  
RANCHO ESTATES MUTUAL WATER COMPANY  
AND RESCINDING RESOLUTION NO. 1123-07  
and

**Res.#1181-08  
Approving  
Agreement for  
Emergency &  
Support  
Services  
(Rancho  
Estates MWC)**

RESOLUTION NO. 1182-08  
RESOLUTION AUTHORIZING AGREEMENT FOR EMERGENCY  
AND SUPPORT SERVICES FOR THE PAUMA VALLEY WATER COMPANY  
AND RESCINDING RESOLUTION NO. 1118-07

**Res #1182-08  
Authorizing  
Agreement for  
Emergency &  
Support  
Services (Pauma  
Valley Water**

and

RESOLUTION NO. 1183-08  
RESOLUTION ESTABLISHING THE APPROPRIATION  
LIMIT FOR FISCAL YEAR 2008-09 PURSUANT TO  
ARTICLE X111B OF CALIFORNIA CONSTITUTION

Company)

**Res.#1183-08  
Establishing the  
Appropriation  
Limit for 2008-  
09**

and

RESOLUTION NO. 1184-08  
RESOLUTION ADOPTING AN ANNUAL STATEMENT  
OF INVESTMENT POLICY AND RESCINDING  
RESOLUTION NO. 1114-07

**Res.#1184-08  
Adopting an  
Annual  
Statement of  
Investment  
Policy**

and

RESOLUTION NO. 1185-08  
RESOLUTION ADOPTING A CAPITAL  
ASSETS POLICY AND PROCEDURE

**Res.#1185-08  
Adopting a  
Capital Assets  
Policy and  
Procedure**

and

RESOLUTION NO. 1186-08  
RESOLUTION ADOPTING A POLICY FOR USE OF  
CELLULAR PHONES AND WIRELESS DEVICES

**Res.#1186-08  
Adopting a  
Policy for Use of  
Cellular Phones  
and Wireless  
Devices**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

Following review and discussion and upon motion offered by Director Stockton,  
Seconded by Director Fitzsimmons Resolution No. 1187-08 entitled,

RESOLUTION NO. 1187-08  
RESOLUTION ADOPTING A FRAUD POLICY

**Res.#1187-08  
Adopting a  
Fraud Policy**

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

AYES: Knutson, Anderson, Stockton, Fitzsimmons, Lyttle

NOES: None

ABSTAIN: None

During the discussion of the preceding motion, Director Stockton suggested that in the future, the Board consider adoption of a related policy dealing with measures to prevent identity theft.

## II. ACTION/DISCUSSION

### II-1 Public Hearing to Receive Comments and Consider Adoption of the Proposed Schedule of Water Rates and Charges

President Knutson requested staff to make a statement regarding public notification for today's hearing. Director of Finance Johnson stated that pursuant to the provisions of State Law the Notice of this Public Hearing was given no less than 45 days prior to the public hearing by a mailing to each property owner and customer within the District boundaries, published in a newspaper of general circulation, once a week for two successive weeks prior to this hearing, posted on the district web site and a copy is on file with the District. Director of Finance Johnson gave a brief summary of the proposed rates and water related charges. She stated that over the last year we have experienced increases in our power costs and our imported water cost will increase 16% this budget year. Over 65% of our rate is controlled by others in the form of imported water cost and power. In addition our operating costs have doubled in recent years for copper, steel, asphalt, concrete, fuel and regulatory compliance while our customer base has not grown. The proposed 11% rate increase in the water rate, 7% increase in the pump zone charge and 10% increase in the monthly meter charge is necessary to provide water service that is planned, effective, equitable and fiscally sound.

**Public Hearing  
Water rates and  
water related  
charges**

**Staff Report**

President Knutson opened the public hearing at 2:30 p.m. on the proposed schedule of water rates and charges. Secretary Stockton stated there was one letter received. President Knutson called for comments from the public. Al Serrato commented that he understands that the rate increases imposed on the district have to be passed through. Having the local water in this district really helps on the amount of the cutback imposed on the agricultural customers.

**Public Hearing  
opened @ 2:30  
p.m.**

There being no other public comments presented, the public hearing was then closed at 2:35 p.m.

**Public Hearing  
closed @ 2:35  
p.m.**

Manager Burzell reiterated the District's commitment to taking all possible steps to control costs; with 97% of District water deliveries being made to commercial agricultural customers, and with water representing the second largest cost behind labor for many producers, the economic health of the District and its ag customers are tied interdependent.

**Manager  
Burzell  
Statement**

It was moved by Director Stockton, and seconded by Director Anderson, that Resolution No. 1188-08 entitled,

RESOLUTION NO. 1188-08  
RESOLUTION ADOPTING INCREASES IN WATER RATES AND CHARGES AND  
AMENDING RULES AND REGULATIONS GOVERNING WATER SERVICE  
SCHEDULE OF RATES, RENTALS, FEES, DEPOSITS AND CHARGES  
(SECTIONS 16-1; 16.3; 16.3.1; 16.4;16.5;18.3.6)

**Res.#1188-08  
Adopting  
increases in  
Water Rates  
and Charges  
and Amending  
Rules &  
Regulations**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

II-2 Update on the ACWA Joint Powers Insurance Authority (JPIA) Programs

President Knutson introduced JPIA's Chief Financial Officer Andy Sells who updated that board on the JPIA programs the Yuima participates in.

**JPIA  
Presentation  
Andy Sells**

II-3 Proposed Resolution Approving the Amendment to the Cooperative Agreement Schedule A-4142 & A-4144 for the Estimated Cost of Service for Fiscal Year 2008-09

Manager Burzell stated that in December, 2007 Yuima entered into an agreement with the County of San Diego to provide County funds to supplement costs for CDF Amador Agreements in the rural areas of the County through Fiscal Year 2011-2012. The agreement is subject to County funding availability. The County also requested a higher level of staffing than our current Amador Agreement provides. In addition, due to Yuima's funding limitation, the County provides funding for the difference between the actual cost of the Amador Agreement and the proceeds of our fire revenues collected during the years the agreement is in effect. Upon motion offered by Director Stockton, seconded by Director Anderson Resolution No. 1189-08, entitled:

RESOLUTION NO. 1189-08  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
APPROVING THE AMENDMENT TO THE COOPERATIVE AGREEMENT  
SCHEDULE A-4142 & A-4144 FOR THE ESTIMATED  
COST OF SERVICE FOR FISCAL YEAR 2008-09

**Res. 1189-08  
Approving the  
Amendment to  
Cooperative  
Agreement  
(CDF 2008-09)**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

II-4 Proposed Resolution Levying a Special Tax (Fire Protection) for the Fiscal Year 2008-09 (Amador)

Manager Burzell stated that in order to collect the revenue needed as reported

in Item 3 (approximately \$50,100) it is necessary that the board adopt the resolution levying 100% of the fire tax approved by the voters. Upon motion offered by Director Anderson, seconded by Director Lyttle Resolution No. 1190-08, entitled

RESOLUTION NO. 1190-08  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
LEVYING A SPECIAL TAX (FIRE PROTECTION)  
FOR THE FISCAL YEAR 2008/09 (AMADOR)

**Res.1190-08  
Levying a  
Special Tax  
Fire Protection  
2008-09**

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

- AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton
- NOES: None
- ABSENT: None

II-5 Proposed Resolution Adopting the Operating and Capital Budget for the Fiscal Year 2008-09.

President Knutson stated that this item was reviewed in depth at the finance committee meeting earlier today. Upon motion offered by Director Anderson, seconded by Director Stockton Resolution No. 1191-08, entitled

RESOLUTION NO. 1191-08  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
ADOPTING THE OPERATING AND CAPITAL BUDGET  
FOR THE FISCAL YEAR 2008-2009

**Res. 1191-08  
Adopting the  
Operating and  
Capital Budget  
for fiscal year  
2008-2009**

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

- AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton
- NOES: None
- ABSENT: None

II-6 Proposed Resolution Supporting an Application for Matching Grant Funds Under the Local Investigations and Studies Assistance Program of the San Diego County Water Authority – Phase II

Manager Burzell stated that the San Diego County Water Authority has issued

an RFP for Phase II proposals for LISA funding. Staff proposes to apply for up to \$250,000 in matching funds to conduct a magneto-telluric study to locate water-bearing fracture zones in the basement rock underlying IDA. Upon motion offered by Director Stockton, seconded by Director Fitzsimmons Resolution No. 1192-08, entitled

RESOLUTION NO. 1192-08  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
SUPPORTING AN APPLICATION FOR MATCHING GRANT FUNDS  
UNDER THE LOCAL INVESTIGATIONS AND STUDIES ASSISTANCE  
PROGRAM OF THE SAN DIEGO COUNTY WATER AUTHORITY – PHASE II

**Res. 1192-08  
Supporting  
Application for  
matching grant  
Funds LISA  
Phase II**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

II-7 Proposed Resolution Setting Forth the Time and Place of Hearing and Giving Notice of Hearing For Adoption of an Ordinance Establishing a Drought Response Conservation Program

Manager Burzell stated that the Ordinance as drafted conforms to the text recommended by the Water Authority member agency general managers for endorsement by the SDCWA Board. Adoption of the Ordinance by all member agencies, with minor modifications to fit local circumstances, will tend to keep the conservation message constant across jurisdictional lines within the County and decrease public confusion.

Upon motion offered by Director Fitzsimmons, seconded by Director Lyttle Resolution No. 1193-08, entitled

RESOLUTION NO. 1193-08  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
SETTING FOURTH THE TIME AND PLACE OF HEARING  
AND GIVING NOTICE OF HEARING FOR ADOPTION OF AN ORDINANCE  
ESTABLISHING A DROUGHT RESPONSE CONSERVATION

**Res. 1193-08  
Setting Time &  
Place of  
Hearing  
(Drought  
Response  
Conservation  
Program)**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSENT: None

### **III. REPORTS/MEETINGS**

#### **III-1. Board Reports/Meetings**

Director Knutson reported that:

- ✦ Met is circulating a draft of its proposed Long Range Plan, based on hydrologic conditions similar to the drought of the 1988 through 1992 period.
- ✦ Lake Powell has risen at the rate of 1 foot per day for all of June; runoff for the Colorado Basin is running at about 112% of average. This is the first significant increase in storage in Lake Powell in 8 years.
- ✦ Director Knutson attended meetings of the Colorado River Authority, where a \$1.8 million budget for the Six Agency Committee was approved.
- ✦ SDCWA has reviewed all of the groups in which SDCWA participates; it is a member of 49 associations and organizations at an annual cost of \$535,000.
- ✦ The Water Authority's plan to purchase storage rights in groundwater basins controlled by Semi-Tropic's and Rosemond's was discussed

**Board Reports  
SDCWA/MWD**

#### **III-2. Administrative Report**

Manager Burzell called the board's attention to his written Administrative report. He stated that Crosno Construction has asked for an additional month for completion of Tank 8 and associated piping. Once the pump station is completed by others, the District will suffer

**Administrative  
Report**

significant operational losses if the tank is still not completed. A decision on how to respond to Crosno's request will be deferred for the time being.

Manager Burzell stated that he had been approached by an agent for Zalinda Farms with a proposal to sell water to the District. Burzell responded that if the Northern Route Pipeline were built, and if the quality and quantity met the District's requirements, that we would be interested in exploring the possibility of such a purchase.

III-3. Capital Improvement Program Review.

Manager Burzell stated that as of June 18<sup>th</sup> the current year capital improvement program totals \$3,910,757, of which \$2,084,625 has been expended to date.

**Discussion on  
Capital  
Improvements**

III-4. Operations Report.

Director of Operations & Maintenance Fowler referred to his written report in the packet.

**Operations  
Report**

III-5. Engineer's Report.

Engineer Burzell was not present.

**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 and financial statements in the packet.

**Finance Reports  
Treasurer's  
Report**

III-8. Joint Powers Fire Report

Manager Burzell stated that the lease agreements with the state are finalized and staff is working closely with CALFIRE and the contractor to get the plans and specification finalized for the new apparatus building.

**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 Anderson, seconded by Director Stockton and carried unanimously, the meeting was adjourned at 4:40 p.m.

**Adjournment  
4:40 p.m.**

ATTEST:

\_\_\_\_\_  
George Stockton, Secretary

\_\_\_\_\_  
W.D. Knutson, President