

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

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 27th day of October, 2008.

**Regular Meeting
10/27/08**

1. ROLL CALL – DETERMINATION OF QUORUM

Call to Order

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

Directors Present:

Present: All

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

Directors Absent:

Absent: None

None

Present

Others Present:

Linden A. Burzell, General Manager
Lori A. Johnson, Director of Finance
Bob Fowler, Director of Operations & Maintenance
Tony Morgan, Layne GeoScience
Leigh Wood-Dudash, Layne GeoScience
Ray Mallott
Albert Bradford, Agua Tibia Ranch
Eric Amend, Paseo Capital Advisors
Miguel Hernandez, Watermaster for Pauma Reservation
Si Fluor, Fluor Ranch L.L.C.
Christina Mokhtarzadeh, B.I.A. Southern Agency
Lenore Lamb, Environmental Director for Pala Reservation
Captain Rick Johnson, CalFire

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

Quorum

2. ADDITIONS TO AGENDA

There were no additions to the agenda.

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 and upon a motion offered by Director Stockton, seconded by Director Fitzsimmons, the Consent Calendar, namely; approval of the Minutes of the Regular Meeting of September 22, 2008; the Accounts Paid and Payables for September; the monthly financial reports were adopted by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSTAIN: None

ABSENT: None

II. ACTION/DISCUSSION

II-1 Public Hearing to Receive Comments and Consider Adoption of the District's Ordinance Setting Forth Water Capacity Charges

At 2:15 pm, President Knutson called the public hearing to order after determining that public notice of today's hearing had been properly published in a newspaper of general circulation in accordance with Government Code Section §66016(a). Director of Finance stated the proposed capacity charges have been adjusted by the ENR increase of 4.43% to be effective January 1, 2009. In addition, the proposed ordinance has been modified to permit an exemption from payment of capacity charges for increases in meter size necessary to

Present

Additions to agenda: none

Public Comments: None

Consent Calendar

Minutes of Regular Meeting 9/22/08

Public Hearing: Capacity Charges

accommodate standby capacity for residential fire sprinklers in a single family residence.

President Knutson then invited comments from the public. No member of the public having indicated a desire to comment, the hearing was closed at 2:17 pm.

II-1A Proposed Ordinance Fixing Capacity Charges.

Following discussion, and upon a motion by Director Fitzsimmons, and seconded by Stockton, the ordinance entitled,

ORDINANCE NO. 101-08
AN ORDINANCE OF THE BOARD OF DIRECTORS
OF YUIMA MUNICIPAL WATER DISTRICT
FIXING CAPACITY CHARGES

**Ord. # 101-08:
Capacity
Charges**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSTAIN: None

ABSENT: None

II-2 Public Hearing to Receive Comments and Consider Adoption of an Environmental Impact Report/Environmental Assessment (EIR/EA) for the Proposed Northern Route Pipeline Project

At 2:30 pm, President Knutson called the public hearing to order after determining that public notice of today's hearing had been properly published in a newspaper of general circulation in accordance with Government Code Section §66016(a). President Knutson then invited comments from the public. Comments from the public included questions on the pipeline proximity to the proposed motor park on the Pala Reservation; the time line for the project; the current water supply conditions and if approved how long is the EIR/EA good for. There being no other comments from members of the public having, the hearing was closed at 2:43 pm.

**Public Hearing:
Northern Route
Pipeline
EIR/EA**

II-2A. Proposed Resolution Certifying the Final Environmental Impact Report/Environmental Assessment (EIR/EA) for the Proposed Northern Route Pipeline Project, SCH No. 2007091022

Upon a motion by Director Anderson, seconded by Fitzsimmons, the resolution entitled,

RESOLUTION NO. 1203-08
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE YUIMA MUNICIPAL WATER DISTRICT
CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL
ASSESSMENT (EIR/EA) FOR THE PROPOSED NORTHERN ROUTE PIPELINE
PROJECT, SCH NO. 2007091022

**Res. 1203-08
Certifying
Northern Route
EIR/EA**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSTAIN: None

ABSENT: None

II-2B. Proposed Resolution Adopting CEQA Findings and Facts in Support of Findings for the Proposed Northern Route Pipeline Project

Upon a motion by Director Stockton, seconded by Director Anderson, the resolution entitled,

RESOLUTION NO. 1204-08
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE YUIMA MUNICIPAL WATER DISTRICT
ADOPTING CEQA FINDINGS AND FACTS IN SUPPORT OF
FINDINGS FOR THE PROPOSED NORTHERN ROUTE PIPELINE PROJECT

**Res. 1204-08
Adopting
CEQA Findings
and Facts
Supporting
Findings**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSTAIN: None

ABSENT: None

II-2C. Proposed Resolution Approving the Proposed Northern Route Pipeline Project

Upon a motion by Director Fitzsimmons, seconded by Director Anderson, the resolution entitled,

RESOLUTION NO. 1205-08
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE YUIMA MUNICIPAL WATER DISTRICT
APPROVING THE PROPOSED NORTHERN ROUTE PIPELINE PROJECT

**Res. 1205-08
Approving No.
Rte. Pipeline
Project**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSTAIN: None

ABSENT: None

II-3 Resolution Approving Change Orders No. 1 through 5 for the Construction of Station 8 Reservoir Replacement Project with Construction of a 1.7 MG Tank and Appurtenances (Station 8 Reservoir Removal, Grading and 1.7 MG Welded Steel Tank) (Crosno Construction, Inc.)

Upon a motion offered by Director Lyttle and seconded by Director Stockton, the resolution entitled:

RESOLUTION NO. 1206-08
RESOLUTION OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
APPROVING CHANGE ORDERS NO. 1 THROUGH 5
FOR THE CONSTRUCTION OF STATION 8 RESERVOIR REPLACEMENT PROJECT
WITH CONSTRUCTION OF A 1.7 MG TANK AND APPURTENANCES
(STATION 8 RESERVOIR REMOVAL, GRADING AND 1.7 MG
WELDED STEEL TANK) (CROSNO CONSTRUCTION, INC.)

**Res. 1206-08
Approving
Change Orders
1-5 for Tank 8
(Crosno)**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSTAIN: None

ABSENT: None

II-4 Resolution Authorizing the Appropriation in the Amount of \$152,000 from IDA Capital Reserves to IDA 2008/09 Capital Jobs for the IDA Reservoir 8 Pump Station Projects

Following discussion, a motion was offered by Director Stockton and seconded by Director Lyttle, entitled:

RESOLUTION NO. 1207-08
RESOLUTION OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
AUTHORIZING THE APPROPRIATION IN THE AMOUNT
OF \$152,000 FROM IDA CAPITAL RESERVES TO IDA 2008/09 CAPITAL JOBS
FOR THE IDA RESERVOIR 8 / PUMP STATION PROJECTS

**Res. 1207-08
Authorizing
\$152,000
Appropriation
to IDA 2008/09
Capital Jobs
(Station 8)**

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

AYES: Knutson, Anderson, Fitzsimmons, Lyttle, Stockton

NOES: None

ABSTAIN: None

ABSENT: None

II-5. Report on Proposed Changes to Metropolitan's Interim Agricultural Water Program and the Water Authority's Special Agricultural Water Rate.

Manager Burzell described the changes to Met's IAWP program, which will be phased out over the next four calendar years, as well the County Water Authority's proposed extension of SAWR benefits for the next two calendar years to agricultural customers who opt out of the IAWP program.

III. REPORTS/MEETINGS

III-1. Board Reports/Meetings

Director Knutson reported that:

- ✦ Based on his analysis, District membership in the proposed "SoCal Vocal" group is not appropriate at this time
- ✦ Met's Long Range Financial Plan indicates that wholesale water rates are very likely to rise over the next few years, with increases of 14% in '09; 21% in '10; and 12% in '11.
- ✦ While agricultural customers have achieved approximately 23% water savings so far this year, M&I customers have only saved about 5%
- ✦ The San Vicente Dam Raise Contract Package No. 2 (Excavation/footings) is out. When complete, the project will result in an additional 152,000 acre-feet of storage capacity
- ✦ The October 5th pipeline 4 blowout has been repaired. The blowout occurred in a 10' diameter section of pre-stressed pipe with a normal operating pressure of about 300 psi.

III-2. Administrative Report

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

III-3. Capital Improvement Program Review.

Manager Burzell stated that an updated CIP Review will be included in the October Board packet.

III-4. Operations Report.

Director of Operations & Maintenance Fowler called the Board's attention to his written Operations Report; there were no questions.

III-5. Engineer's Report.

The position of District Engineer is current vacant, following the passing of Linden R. Burzell on August 22, 2008

Board Reports
SDCWA/MWD

Administrative Report

Discussion on Capital Improvements

Operations Report

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 report in the packet, noting that the three month budget report reflects our water sale revenues at 36% of budget projections while operating expenses are at 30%. She also stated that as of October 3, 2008 the FDIC deposit insurance coverage limits have increased to \$250,000 and will remain in effect through December 31, 2009. This new limit also applies to Governmental Accounts.

**FDIC Limit
\$250,000**

Director of Finance Johnson gave an update on the audit progress stating that the auditors, Teaman, Ramirez & Smith are planning to present the audit to the board in December. Manager Burzell addressed the auditors "Situations to Resolve" note #10 stating that the incorrect calculation of overtime currently paid for all hours over 8 hours in a day will be corrected to comply with the FLSA rules paying overtime for all hours worked over 40 hours in a workweek.

Audit Update

Director of Finance Johnson reported that our field staff is finishing up the Dunlap Chlorine electrical that was burned in the 2007 fire which completes our damage repairs under the disaster application. Staff will be filing the final disaster repair reports shortly. As of today there is still no commitment from FEMA if they will pay for the additional amounts not covered under our State Disaster Application for the mud related charges.

**Update
FEMA Repairs
Final Report**

Director of Finance Johnson gave a brief report on the Identity Theft Red Flag regulations and guidelines stating that the Federal Trade Commission has granted six-month delay of the enforcement of the "Red Flags" Rule until May 1, 2009 to give agencies additional time in which to develop and implement written identity theft prevention programs. Under the Rule, financial institutions and creditors (which include water

(FACTA)

district's) with covered accounts must have an identity theft prevention programs to identify, detect, and respond to patterns, practices, or specific activities that could indicate identity theft. Staff will be working with our North County Finance Group to formulate a policy consistent with the rule.

Director of Finance Johnson reviewed with the board the effect of the recent market downturn on CalPers investments noting that the effect of the 2008 economic impact of the market will be felt on the employer rate that CalPers will set for the fiscal year 2011-12.

**CalPers
Investments**

III-8. Joint Powers Fire Report

Captain Rick Johnson reported that fire hydrant maintenance will resume after January 1, 2009. The apparatus building is on schedule and invited the board to tour the construction in progress at the CDF Station site where he will be available to answer any questions the board may have.

Fire Hyd Maint.

**Apparatus
Building**

IV. OTHER BUSINESS

Other Business

Tony Morgan and Leigh Wood-Dudash of Layne Geo-Sciences updated the Board on the recently completed gravity portion of their basin study.

**Layne Geo-
Science report**

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 4:18 p.m.

**Adjournment
4:18 p.m.**

Original Minutes were signed and approved on November 24, 2008.

George Stockton, Secretary

ATTEST:

Original Minutes were signed and approved on November 24, 2008.

W.D. Knutson, President