

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
January 25, 2010**

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 25<sup>th</sup> day of January, 2010.

**Regular Meeting  
01/25/10**

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

**Call to Order**

President Knutson called the meeting to order at 2:01 p.m.

Directors Present:

**Present: All**

W.D. Knutson, President  
Douglas K. Anderson, Vice-President  
George Stockton, Secretary  
Mike Fitzsimmons  
Ron W. Watkins

Directors Absent:

**Absent: None**

None

**Present**

Others Present:

Linden A. Burzell, General Manager  
Lori A. Johnson, Director of Finance  
Chief Jeff Johnson, CalFire

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

**Quorum Present**

**2. ADDITIONS TO AGENDA**

**None**

There were no additions to the agenda.

### 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 upon a motion was offered by Director Stockton, seconded by Director Anderson, the Consent Calendar, namely; approval of the Minutes of the Regular Meeting of December 28, 2009; the Accounts Paid and Payables for December 2009; the monthly financial reports for December, 2009, Approval of Certificate of Compliance by YMWD as Successor in Interest to Palomar Mutual Water Company for Calendar Year 2009 (Strub); Resolution 1288-10 *Authorizing the Use of California Bank & Trust Credit Card and Rescinding Resolution 978-05*; Resolution 1289-10, *Authorizing Petty Cash Checking Account with California & Trust and Rescinding Res. 951-04*; and Resolution 1290-10 *Concurring in the Nomination to the Office of President of the Association of California Water Agencies Joint Powers Insurance Authority* (“ACWA/JPIA”) E.G. “Jerry” Gladbach. were adopted by the following roll-call vote, to wit:

**Consent  
Calendar**

**Minutes of  
Regular  
Meeting  
12/28/09**

**Accts paid &  
payable Dec ‘09**

**Approve Strub  
Agreement  
Cert. of  
Compliance  
(2009)**

**Res. 1288-10  
Cal Bank &  
Trust Credit  
Card auth.**

**Res.1289-10  
Cal Bank &  
Trust Petty  
Cash acct.**

**Res. 1290-10  
Nomination of  
E.G. Gladbach:  
Pres. of JPIA**

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

#### II. SPECIAL REPORTS

Battalion Chief Jeff Johnson presented a report on Rincon Station 70 activities for the month. Overall call volume was near the yearly average at 44. Weed abatement (LE 38)

**Fire Report**

inspections are complete, with some re-inspections pending.

Chief Johnson left the meeting at 2:16 p.m.

### III. ACTION/DISCUSSION

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

President Knutson opened the Public Hearing at 2:16 pm, and invited any members of the public present to speak. No members of the public were present and wishing to speak. Secretary/ Treasurer Stockton stated that no written comments had been received. President Knutson declared the Hearing closed at 2:19 p.m. Manager Burzell stated the Capacity Charge, which is levied at the time of a new meter application, will increase 4.5% which is tied to the ENR CCI-LA index. Upon a motion by Director Fitzsimmons, seconded by Director Watkins, Ordinance 104-10 Fixing Capacity Charges was approved by the following roll-call vote:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

#### III-2. Consideration of Extending the Audit Contract with the Current Auditors Teaman, Ramirez & Smith for an Additional Two Years

Upon a motion by Director Fitzsimmons, seconded by Director Stockton, and approved unanimously, the Board directed staff to extend the current contract with the District's auditors (Teaman, Ramirez & Smith) for an additional two years, through Fiscal Year 2012, as provided for in the contract.

#### III-3. Proposed Agreement for Utility Bill Auditing Services with Utility Cost Management LLC (UCM)

After discussion and upon a motion by Director Watkins, seconded by

**Public Hearing:  
Water Capacity  
Charges**

**Ord. 104-10  
Fixing Capacity  
Charges**

**Extend auditing  
contract with  
Teaman,  
Ramirez &  
Smith for two  
additional years**

**Approval of  
Agreement with**

Director Fitzsimmons, the board instructed staff to execute an agreement with Utility Cost Management LLC to audit the District's SDG&E electric power bills. The action was approved by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

**Utility Cost  
Mgmt. LLC –  
SDG&E power  
bill audit**

**III-4. Proposed Agreement for Mandated Cost Claiming Services with Shields Consulting Group through June 30, 2012**

After discussion and upon a motion by Director Watkins, seconded by Director Fitzsimmons, the board instructed staff to execute an agreement with Shields Consulting Group to provide the District with Cost Claiming Services with respect to state mandated costs, including LAFCO. The action was approved by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

**Approval of  
Agreement with  
Shields  
Consulting  
Group –  
Mandated Costs**

**III-5. President's Appointments to Standing Committees**

President Knutson announce the following appointments to committees of the Board:

Employee Recognition: Directors Anderson and Stockton

Ad Hoc Fire: Directors Fitzsimmons and Watkins

Ad Hoc Local Water: Directors Watkins and Fitzsimmons

**Board  
Committee  
Appointments**

**IV. REPORTS/MEETINGS**

**IV-1. Board Reports/Meetings**

Director Knutson reported that:

- The County Water Authority successfully sold \$627 million in bonds,

**Board Reports  
SDCWA/MWD**

including \$528 million in Build America Bonds (40 yrs & 3.989%) and \$99 million on other bonds at interest rates of 1.64 to 4.08%

- Negotiations continue on price re-set of water rate on the 200,000 AF to be transferred from I.I.D. It has been proposed that CWA advance \$50 million to IID, to be repaid through a reduced water rate over 15 years. The negotiations continue against the background of Judge Candee's ruling invalidating portions of the Quantification Settlement Agreement. Pending an appeal of his decision, water will still flow in accordance with the 2010 plan for the Colorado River.
- JPIA's Property and Worker's Comp rates will remain unchanged for the coming year.
- The District will receive a premium refund of approximately \$13,000. This is the result of favorable claims history in the Liability, Property and Worker's Compensation retrospective premium adjustments for 1988-2006. He noted that the district has an excellent worker's compensation claim history resulting in a low EMOD factor.
- JPIA's Best Practices Committee proposes a maximum standard for slippage of 12 – 16%, depending on circumstances. The District is already in compliance, with average slippage of 2-3% for the past few years.

**JPIA**

#### IV-2. Administrative Report

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

**Administrative Report**

#### IV-3. Capital Improvement Program Review.

Manager Burzell called the board's attention to the CIP Review; there were no questions.

**Discussion on Capital Improvements**

#### IV-4. Operations Report.

**Operations**

<p>The Operations Report as prepared by staff was reviewed; there were no questions.</p>	<p><b>Report</b></p>
<p><u>IV-5. Engineer's Report.</u></p>	
<p>The position of District Engineer is vacant, pending Todd Engstrand's reporting to work on February 1, 2010.</p>	<p><b>Engineer's Report</b></p>
<p><u>IV-6. Counsel's Report.</u></p>	
<p>Counsel was not present.</p>	<p><b>Counsel's Report</b></p>
<p><u>IV-7. Finance Report</u></p>	
<p>Director of Finance Johnson reviewed the 6-month budget report with the board stating that</p>	<p><b>Finance Reports</b></p>
<ol style="list-style-type: none"> <li>1. Water sales revenue is 3% below budget projections for this time of year due to weather conditions.</li> <li>2. Nextel cancelled their cell site lease effective 2/2010.</li> <li>3. The lower water sales, loss of the Nextel contract and the projected budget revenue shortfall of \$323,000, less one-time revenues for State Mandated Claims in the amount of \$36,730 equates to a projected net loss margin of \$416,300 this fiscal year. A draw down of approximately 24% from our Rate Stabilization fund will be required.</li> </ol>	<p><b>Treasurer's Report</b></p>
<p>She stated staff continues to monitor budget expenditures and cost savings measures. However due to lower water sales, unexpected reserve drawdown, and capital improvement funding, that in addition to passing through the MET &amp; CWA water rate increases we will be looking into a local rate increase also.</p>	
<p><b><u>V. OTHER BUSINESS</u></b></p>	<p><b>Other Business</b></p>
<p>The Board went into Closed Session at 3:58 p.m. to consider its annual review of the General Manager's performance. The Board returned to open session at 4:18 p.m. President Knutson stated that the Board was pleased with General Manager Burzell's performance and</p>	<p><b>G.M. Annual Performance Review.</b> <b>40 hrs of admin. Leave. No COLA</b></p>

has decided to award him 40 hours of administrative leave, to be taken at times of his choosing during 2010. Further, there will be no COLA related adjustment for the Manager, either up or down, for the balance of 2010.

**adjustment in 2010.**

## **VI. 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 Anderson and carried unanimously, the meeting was adjourned at 4:21 p.m., the next meeting of the board to be held on Monday, February 22, 2010 at 2:00 p.m. at the offices of the District.

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

Original minutes were signed and approved on February 22, 2010.

George Stockton, Secretary

ATTEST:

Original minutes were signed and approved on February 22, 2010.

W.D. Knutson, President

**Next meeting:  
22 Feb 10**