

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
March 22, 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 22nd day of March, 2010.

**Regular Meeting
03/22/10**

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
Ron W. Watkins

Directors Absent:

Absent: None

None

Present

Others Present:

Linden A. Burzell, General Manager
Lori A. Johnson, Director of Finance
Todd D. Engstrand, Director of Operations & Engineering
Jack Wittman, Layne GeoSciences
Brad Schroeder, Layne GeoSciences
Dennis Skinner, Layne GeoSciences

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

Quorum Present

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.

Public Comments:
None

I. CONSENT CALENDAR

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 February 22, 2010; the Accounts Paid and Payable for February, 2010; the monthly financial reports for February, 2010; Resolution 1300-10 *Setting Forth the Time and Place of Hearing and Giving Notice of Hearing for the Fire Mitigation Fee Multi-Year Facilities and Equipment Plan for the Yuima, Pauma and Mootamai Municipal Water Districts*; Resolution 1301-10 *Setting Forth a Schedule of Water Availability Charges Proposed to be Established for the District (2010-11) and Fixing the Time and Place of Hearing and Giving Notice of Hearing* were adopted by the following roll-call vote, to wit:

Minutes of Regular Meeting 02/22/10

Accts paid & payable Feb '10

Financial Reports for Feb

Res. 1300-10 Fire Mitigation Fee Hearing

Res. 1301-10 Water Availability Charges

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

II. SPECIAL REPORTS

Agendized Item III – 4 was taken up at this point as a courtesy to the representatives from Layne GeoSciences. After introductory remarks by Manager Burzell, Dr. Jack Wittman of Layne discussed his review of the deficiencies that he has identified in Layne's geophysical analysis of the Pauma Basin and the steps that could be taken to provide a suitable remedy, in which the District is assisted in other ways to identify new sources of water. Among other possibilities, he suggested that Layne could support Harich Drilling in their efforts to complete one or more horizontal wells for the District, located on the District's fee simple holdings on the slopes of Palomar Mountain. A meeting between Layne staff and Harich will be scheduled some time in April.

Layne GeoScience support for Harich

III. ACTION/DISCUSSION

III-1 Resolution In support of the Local Taxpayer, Public Safety and Transportation Act of 2010

**Res.1302-10
Supporting the
Local Taxpayer
Public Safety &
Transportation
Act of 2010**

Upon a motion by Director Fitzsimmons, seconded by Director Stockton Resolution No. 1302-10 *Supporting the Local Taxpayer, Public Safety & Transportation Act of 2010* was approved by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

III-2. Resolution Making the Annual Required Finding of the San Diego County Fire Mitigation Fee Ordinance and Reestablishing a Fire Mitigation Fee Program for Fiscal Year 2010-11

**Res. 1303-10
Fire Mitigation
Fee FY 2010-11**

After discussion and upon a motion by Director Fitzsimmons, seconded by Director Anderson, Resolution No. 1303-10 *Making the Annual Required Finding of the San Diego County Mitigation Fee Ordinance and Reestablishing a Fire Mitigation Fee Program for Fiscal Year 2010-11* was approved by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

III-3. Best, Best & Krieger LLP Request for Additional Allocation for Legal Fees for the SDG&E Matter

**Deny BBK's
Request for
Additional Fees
re SDG&E
litigation**

After discussion, and upon a motion by Director Stockton, seconded by Director Fitzsimmons, the Board instructed the General Manager not to approve or pay any fees to Best, Best and Krieger which, in the aggregate, would exceed the amount previously authorized by the board. The motion was approved by the following roll call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Stockton

NOES: None

ABSTAIN: Watkins

ABSENT: None

III-4. Review Status of Layne GeoSciences Pauma Groundwater Basin Surface Gravity & Geotechnical Survey

(taken up previously under Item II – Special Reports)

III-5. Information and Discussion of Horizontal Well Drilling Project

Manager Burzell described a plan for exploratory drilling into the lower flanks of Palomar Mountain on lands belonging to the District. The plan would involve the drilling one or more small diameter (5”) boreholes into the mountain flank in order to obtain information about the geological characteristics of the formation in the vicinity of the Elsinore Fault and specifically whether high elevation groundwater is present in developable quantities. The drilling project would employ proprietary techniques and experience provided by Harich Construction. After further discussion and upon a motion by Director Watkins, seconded by Director Fitzsimmons, the Board authorized the General Manager to enter into a contract with Harich Construction to drill and test such horizontal test holes at a total cost not to exceed \$34,900 and to re-appropriate the balance of the Hegardt Pipeline capital budget to this project. The motion was approved by the following roll call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

**Horizontal Test
Hole Drilling
Authorization
\$34,900**

III-6. Proposed Resolutions Authorizing Reserve Fund Transfers

After discussion and upon a motion by Director Stockton, seconded by Director Watkins, Resolution 1304-10 Authorizing Reserve Fund Transfers was approved by the following roll call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

**Res. 1304-10
Authorizing
Reserve Fund
Transfers**

IV. REPORTS/MEETINGS

IV-1. Board Reports/Meetings

Director Knutson reported on recent SDCWA board actions, as well as recent developments relative to litigation over the Quantification Settlement Agreement. He also updated the board on recent activities of the Colorado River Board, where he now serves as Vice President.

**Board Reports
SDCWA/MWD**

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 & Engineering Report.

Director of Operations/Engineering Todd Engstrand called the Board's attention to the Operations Report. System operation and repair work was summarized including repairs to the Metta Forest 12" pipeline and operation with McNally Tank #2 out of service during low demands to help maintain water quality. A summary of the Lazy H Well #1 investigation and proposed repair was given to the Board.

**Operations &
Engineering
Report**

IV-5. Counsel's Report.

Counsel was not present.

**Counsel's
Report**

IV-6. Finance Report

Director of Finance Johnson reported that staff has completed the annual review of the Identity Theft Prevention Program and the Fraud Policy.

Finance Reports

Director of Finance Johnson reviewed Government Accounting Standards Board (GASB) Statements 43/45/57. GASB 45 requires that beginning in Fiscal Year 2009-10 that the District actuarially value its Retirees' Health Benefits Plan. GASB requires that agencies

account for retiree health plans in a specified method; i.e. recorded as an expense. She stated the district implemented the requirements of GASB 43 in June of 2008, two years ahead of the mandatory deadline for a district of our size. GASB 57's intent is to improve consistency in the measurement and financial reporting of other post employment benefits. The pronouncement enables the use of the alternative measurement method, a less complex and less expensive alternative, to a full actuarial valuation. She stated that with GASB 57 allowing the Alternative Measurement Method (AMM) the door is now open to utilize a trust fund, such as the CalPERS Trust. The benefits of participating in the CalPERS California Employers' Retiree Benefit Trust (CERBT) and taking advantages of prefunding the liability are; the liability impact is mitigated, lower liability/expense with a higher rate of return under a long-term investment strategy and financial stability/benefit security are increased.

V. OTHER BUSINESS

Director Stockton reported that the Rancho Estates Mutual Water Company's most recently scheduled meeting transacted no business due to the lack of a quorum. Rancho's newly completed well is yielding 380 – 400 gpm. Manager Burzell reported that staff is nearing completion of a review of all well agreements, and has tentatively concluded that it is probably not in the best interest of the rate-payers to approve any new well agreements at this time.

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 4:23 p.m. The next meeting of the board to be held on Monday, April 26, 2010 at 2:00 p.m. at the offices of the District. A Finance Committee workshop will be held at 12:00 noon on April 26, 2010 prior to the regularly scheduled board meeting.

ATTEST:

Original minutes were signed
_ and approved on April 26, 2010 _
W.D. Knutson, President

Original minutes were signed
and approved on April 26, 2010
George Stockton, Secretary

Other Business
Rancho Estates wells
Well Agreements

Adjourn @ 4:23 p.m.

**Next meeting:
26 Apr 10**

