

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
June 28, 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 28<sup>th</sup> day of June, 2010.

**Regular Meeting  
06/28/10**

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

**Call to Order**

President Knutson called the meeting to order at 2:04 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  
Jeff Scott, Counsel  
Gary Romoff  
Tony Cinquini  
Steve Borden  
Matt Borden  
Cindy Eldred  
Chuck Vuytowicz  
Darren House  
Tony Bolado

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, noting that comments regarding specific agenda items would be taken up when those items are being considered. 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 Anderson, the Consent Calendar, namely; approval of the Minutes of the Regular Meeting of May 24, 2010 and the Special Meeting minutes of June 21, 2010; the Accounts Paid and Payable for May, 2010; the monthly financial reports for May, 2010; Resolution 1316-10 *Approving Agreement for Water Service and Management Contract for the Lazy H Mutual Water Company and Rescinding Resolution No. 1252-09*; Resolution 1317-10 *Approving Agreement for Record Keeping and Secretarial Services for the Mootamai Municipal Water District and Rescinding Resolution No. 1253-09*; Resolution 1318-10 *Authorizing Agreement for Emergency and Support Services for the Rancho Estates Mutual Water Company and Rescinding Resolution No. 1254-09*; Resolution 1319-10 *Authorizing Agreement for Emergency and Support Services for the Pauma Valley Water Company and Rescinding Resolution No. 1255-09*; Resolution 1320-10 *Authorizing Agreement for Emergency and Support for the Rancho Pauma Mutual Water Company*; Resolution 1321-10 *Resolution Confirming Ralph McIntosh from Ramona MWD for proxy – Knutson*; and Resolution 1322-10 *Amending the Employee Recognition Program* were

**Minutes of Regular Meeting 5/24/10 & Special 6/21/10**

**Accts paid & payable and Financial Reports for May '10**

**Res. 1316-10 Service/Mgmt Contract LazyH**

**Res. 1317-10 Recordkeeping & Secretarial Contract Mootamai**

**Res. 1318-10 Emergency & Support Contract Rancho Estates**

**Res. 1319-10 Emergency & Support Contract Pauma Valley Water Co.**

**Res. 1320-10 Emergency &**

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

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

## II. SPECIAL REPORTS

Joint Powers Fire Report: Chief Johnson of CalFire was not present.

## III. ACTION/DISCUSSION

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

Secretary Stockton reported that a letter of protest against the proposed rate increase was received from Gary Romoff, representing the Perricone interests. President Knutson called the public hearing to order at 2:34 p.m. Finance Director Johnson described and summarized the proposed rate increases. Gary Romoff spoke of the severe hardship that increasing rates pose for commercial agriculture, and asked that the District consider any and all alternatives to the current rate increases, including a complete re-thinking of how the District charges for water. He suggested that District staff meet with grower's representatives to discuss these issues. Tony Cinquini stated that he understood the need to pass through the increases in cost from water wholesalers and utilities, but wonders how the district's general and administrative expenses compares to other districts. Steve Borden stated that the District's budget assumes no increase in sales, and that at the new prices, growers will not be able to afford to purchase as much water. There being no further members of the public wishing to address the Board, President Knutson declared the Public Hearing closed at 3:26 p.m.

### III-1A 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 2.27; 11.5, 16.1; 16.2; 16.3;16.3.1;16.4; 16.5 &18.3.6)

**Support  
Contract  
Rancho Pauma  
Mutual**

**Re 1321-10  
CWA Proxy to  
Ralph McIntosh**

**Res. 1322-10  
Amending  
Employee  
Recognition  
Program**

**CalFire Report  
None**

**Public Hearing  
– Water Rates  
and Charges**

Following discussion and upon a motion by Director Stockton, seconded by Director Fitzsimmons, Resolution 1323-10 entitled 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 2.27; 11.5, 16.1; 16.2; 16.3;16.3.1; 16.5 & 18.3.6) was approved by the following roll call vote, to wit:

**Res. 1323-10  
Adoption of  
Rates and  
Charges**

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

III- 2. Resolution Adopting the Operating and Capital Budget for Fiscal Year 2010/11.

Upon a motion by Director Anderson, seconded by Director Watkins, Resolution 1324-10 *Adopting the Operating and Capital Budget for Fiscal Year 2010-11* was adopted by the following roll-call vote, to wit:

**Res. 1324-10  
Adopting  
Operating and  
Capital Budget  
for FY 2010/11**

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

III-3. Resolution Awarding Contract for the Kahlstrom Pipeline Replacement.

After discussion and upon a motion by Director Watkins, seconded by Director Fitzsimmons, Resolution 1325-10 *Awarding Contract for Kahlstrom Pipeline Replacement* to the lowest responsible bidder, CCL Contracting, Inc. in the amount of \$85,812 was adopted by the following roll-call vote, to wit:

**Res. 1325-10  
Kahlstrom  
Pipeline  
replacement  
award to  
CCL  
Contracting,  
Inc.**

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

*Daren House, Tony Cinquini, Chase Borden, left the meeting at 3:36 p.m.*

III-4. Resolution Ratifying the Amended and Restated ACWA Health Benefit Authority Bylaws and Joint Powers Authority Agreement and Designating

the ACWA HBA Membership Representatives

After discussion and upon a motion by Director Fitzsimmons, seconded by Director Anderson, Resolution 1326-10 entitled *Resolution Ratifying the Amended and Restated ACWA Health Benefits Authority Bylaws and Joint Powers Authority Agreement and Designating the ACWA HBA Membership Representatives* was adopted by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

III-5. Resolution Concurring in the Nomination of Merle J. Aleshire to the ACWA Health Benefits Authority.

After discussion and upon a motion by Director Stockton, seconded by Director Fitzsimmons, Resolution 1327-10 entitled *Resolution Concurring in the Nomination of Merle J. Aleshire to the ACWA Health Benefits Authority* was adopted by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

III-6. Resolution Authorizing the Execution of an Agreement to Lease Well Site (V/O Development).

After discussion and upon a motion by Director Fitzsimmons, seconded by Director Anderson, Resolution 1328-10 entitled *Resolution Authorizing the Execution of an Agreement to Lease Well Site (V/O Development)* was adopted by the following roll-call vote, to wit:

AYES: Knutson, Anderson, Fitzsimmons, Watkins, Stockton

NOES: None

ABSENT: None

**Res. 1326-10  
ACWA Health  
Benefits  
Authority  
Bylaws**

**Res. 1327-10  
Concurring  
Nomination  
Merle Aleshire  
ACWA Health  
Benefits  
Authority**

**Res. 1328-10  
V/O Well Lease  
Agreement**

III-7. Review of the Draft Five Year Master Plan 2010.

A brief discussion of the Draft Five Year Master Plan 2010, ensued. Director Knutson turned over to staff his copy, with corrections for incorporation into the final document, which will be presented for approval at the July board meeting.

**Review of  
Master Plan**

**AWARD PRESENTATION**

On behalf of the Employee Recognition Committee, President Knutson presented Vanessa Velasquez with an award for her outstanding work on district records, which has resulted in a substantial savings to the District.

**ERC Award:  
Vanessa  
Velasquez**

**IV. INFORMATION/REPORTS**

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

Director Knutson reported that

- the Water Authority is in litigation with Met over their assignment of 80% of the cost of State Water Project water to the transportation charge, which will result in \$1.6 billion in over-charges to SDCWA over the next 20 years.
- The QSA lawsuit is likely to be resolved in one of three ways: (1) filing an appeal of the judge's ruling (2) changing the language of the contract that makes the State the payer of last resort for all Salton Sea project costs (3) legislation.
- Discussions are ongoing with Poseidon and the desal partners regarding the substitution of the SDCWA for the desal partners as the primary purchaser of water from Poseidon's proposed Carlsbad desal plant. The Met subsidy of \$250 per acre-foot is unlikely to be available as a result of the lawsuit over the transportation charge allocation for SWP water.

**Board Reports  
SDCWA/MWD**

IV-2. Administrative Report

Manager Burzell called the board's attention to his written Administrative report. There were no questions. Manager Burzell informed the board of a non-compliance order issued by the Health Department that calls for the covering of Reservoir 6 within two years. He said that he would appreciate any comments the board may have on the Draft Master Plan.

**Administrative  
Report**

IV-4. Operations & Engineering Report.

Director of Operations/Engineering Todd Engstrand called the Board's attention to the Operations Report. He stated the 2009 Consumer Confidence Report was approved by the Health Department and mailed to all customers in the District.

**Operations/  
Engineering  
Report**

IV-5. Counsel's Report.

Counsel Scott discussed the potential impact of the Wolk bill, which would transfer liability for design and engineering deficiencies from the professional service provider to the agency. He also briefed the board on AB 1955, which would prevent elected board members from serving simultaneously on a joint powers authority. He then briefed the board on the general applicability of the prevailing wage requirements to essentially all District construction contracts.

**Counsel's  
Report**

IV-6. Finance Report

Director of Finance Johnson stated that the auditors, Teaman, Ramirez & Smith were in doing field work for 4 days at the beginning of the month. The District Auditors have issued a letter stating their responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards. They will begin the final fieldwork on September 7th and expect to issue their report in November.

**Finance Reports**

**Auditors  
Update**

Director of Finance Johnson stated that the FEMA auditors were in and concluded their audit for the claimed costs from the 2007 Firestorm. Since all projects were considered small projects FEMA will be paying to the full amount of the estimated costs approved with our original application. We are still waiting on the State EMA audit. She stated that it appears that 100% of our costs for the fire and mud damages will be reimbursed.

**FEMA 2007  
Firestorm Audit**

Director of Finance stated that we are working with AT&T on the relocation of their antenna's from the Perricone Tank and the specifications of the equipment building. In

addition, the modifications that are being proposed by Verizon are still being considered. She stated that she expressed the boards desire to get the equipment off the tank in preparation of the exterior tank repainting next year and is trying to work with Verizon to relocate their equipment prior to our painting project.

**AT&T Cell Site modifications**

**Verizon Equipment Change out**

**V. OTHER BUSINESS**

**Other Business**

Director Knutson stated a system tour (well drilling) will be scheduled for July 6th at 1:00 p.m.

**System Tour July 6, 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 4:53 p.m. The next meeting of the board will be a Regular Meeting to be convened on Monday, July 26, 2010 at 2:00 p.m. at the offices of the District.

**Adjourn @ 4:53 p.m. to Regular Meeting on 26 July, 20 10 @ 2:00 p.m.**

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George Stockton, Secretary

ATTEST:

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W.D. Knutson, President