

**MINUTES OF THE REGULAR ADJOURNED MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
May 27, 2014**

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 Tuesday, the 27th day of May, 2014.

**Regular
adjourned
Meeting 5/27/14**

1. ROLL CALL – DETERMINATION OF QUORUM

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

**Call to Order
2:00 pm**

Directors Present:

Present: 5

W.D. “Bill” Knutson, President
Ron W. Watkins, Vice-President
George Stockton, Secretary/Treasurer
Douglas K. Anderson, Director
Mike Fitzsimmons, Director

Directors Absent:

Absent: 0

none

Others Present:

Others Present

Linden A. Burzell, General Manager
Lori A. Johnson, Director of Finance
Todd D. Engstrand, Director of Operations & Engineering
Jeffrey Scott, General Counsel
Christina Williamson
Daren House
Roland Simpson
Kim Alvarado, RPMWC
Lynne Villalobos

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

**Quorum
Present**

2. Pledge of Allegiance

President Knutson led those present in the Pledge of Allegiance.

**Pledge of
Allegiance**

3. Approval of Agenda

No changes to the Agenda were proposed.

4. 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. Roland Simpson asked why the board continues to hold closed sessions. Daren House circulated a handout alleging (1) that the general manager was attempting to burden IDA with the cost of the lawsuit brought against the District by Rancho Pauma Mutual Water Company and (2) that the lawsuit was the general manager's fault.

Public Comments

I. CONSENT CALENDAR

Vice President Watkins moved approval of the Consent Calendar, consisting of the *Approval of the Minutes of the Regular and Special Meetings of April 28, 2014; Approval of Accounts Paid & Payable and Reporting under Government Code §53065.5 for April 2014; Acceptance of the Monthly Financial Reports (April, 2014 Treasurers Report and Cash Statement); and Resolution No. 1558-14 Establishing the Appropriation Limit for Fiscal Year 2014/15 Pursuant to Article VIII B of the State Constitution.* The motion was seconded by Director Anderson and approved by the following roll-call vote, to wit:

**Consent Calendar
Approved**
**Regular & Special
Meeting Minutes for
4/28/14**
**April
Paid/Payables**
**April Financial
Reports**
**Res #1558-14
Appropriation
Limit**

AYES: Fitzsimmons, Watkins, Anderson, Stockton, Knutson
NOES: None
ABSTAIN: None
ABSENT: None

II. SPECIAL REPORTS

Chief Williamson reported that a Rincon Station engine was the last to leave the Cocos fire last week. A new Fire Safe Counsel is proposed for the area. There will be three directors; any individuals interested in serving should contact Chief Williamson. The District's application to the Indian Gaming fund was approved and will cover 80% of the cost of the new "Jaws of Life" extraction

CAL FIRE
Chief Williamson

equipment. We are still awaiting a response from Supervisor Horn regarding funding for a second set of equipment.

III. ACTION/DISCUSSION

1. Discussion of the Allocation of Legal Fees (associated with the lawsuit filed against the District by Rancho Pauma Mutual Water Company)

Allocation of
Legal Fees
(RPMWC
lawsuit)

No action

The Directors discussed at length the factors that should be considered with respect to the allocation of legal fees between the General District and IDA. Director Watkins requested information be brought back to the Board if IDA received any benefit from the lower melded supply rate as a result of the VO1 well water production. Director Fitzsimmons moved, seconded by Director Anderson, that IDA rates & charges not include any of the legal costs associated with the Rancho Pauma lawsuit. A second motion made by Director Watkins, seconded by Director Stockton, to postpone consideration until the additional information requested is received was passed unanimously by the Board. A special meeting was calendared for Thursday, June 5, 2014 for the Board to review and discuss the item with the new information available.

IV. INFORMATION/REPORTS

IV-1. Board Reports/Meetings

- President Knutson reported that he will be attending the Association of California Water Agencies convention the following week. One of the major topics of discussion will be whether the Regional Water Quality Control Board will decide to force adjudication of groundwater basins. He also reported that the former Executive Director of JPIA has retired.

Board Reports

Knutson –

- President Knutson reported on his meeting with John Westwater, President of Rancho Pauma Mutual Water Company on May 27, 2014 regarding mediation. They agreed to meet again with another board member and Judge Lewis, a mediator.
- Director Watkins reported that the second phase of the Water Authority/ Met rate case will begin next month, with the judge rendering favorable opinion to the Water Authority in Phase 1.
- Director Watkins reported that the Water Authority agreed to extend the Special Agricultural Water Rate (SAWR) through 2015.

Watkins – SDCWA

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

Manager Burzell called the Board’s attention to the Capital Improvement Program reports. President Knutson inquired as to the status of Horizontal Well (HW) No. 49. Staff reported that the contractor has completed the 75-foot conductor and sanitary seal. Vice-President Watkins asked about the location of HW No. 49. HW No. 49 is located in proximity to HW No. 48 but will be drilled along a different alignment.

Capital Improvements

IV-4. Operations Report

President Knutson asked if all of the District’s equipment had been removed from the VO Wells. Director of Operations and Engineering Engstrand indicated that all equipment from the well sites has been removed. The remaining items were the electric service meter switchboards which require a SDG&E shutdown and meter removal. The meter sections are not located on the well sites and will be removed in the coming weeks.

Operations & Engineering Report

IV-5. Counsel’s Report.

Counsel Scott reported on SB 1168 (Pavely), which would establish the Sustainable Groundwater Act. The Act would (1) require that all groundwater basins be operated on a sustainable basis pursuant to an adopted groundwater management plan, with priority to high and medium priority basins and sub-basins (2) give the State authority to develop such a plan if local interests cannot or will not do so themselves.

IV-6. Finance Report

Director of Finance Johnson reported on the delinquent accounts noting that other than the outstanding VO electric power bills for their grove water, there are no other concerns. She stated that the SAS 114 Planning Letter from the auditors, Teaman, Ramirez & Smith was included in the packet. The auditors are schedule to be on site the week of June 2nd to begin the field work for the 2013-14 audit.

**CLOSED SESSION: Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(a)
Name of Case: Strub v. Palomar Mutual Water Company – San Diego County Superior Court Case No. 162650**

The Board entered closed session at 3:32 p.m. and resumed deliberation in open session at 4:15 p.m.

REPORT AFTER CLOSED SESSION

The Board directed Staff and Counsel to take appropriate action with respect to the existing case named.

By consensus, the following meeting schedule for the next four months was agreed to:

- Thursday, June 5, 2014 @ 9:00 am (Special Meeting)
- Monday, June 23, 2014 @ noon (Special Meeting - Board Workshop)
- Monday, June 23, 2014 @ 2:00 pm (Regular Meeting for June)
- Wednesday, July 30, 2014 @ 2:00 pm (Regular Adjourned Meeting for July)
- Monday, August 25, 2014 @ 2:00 pm (Regular Meeting for August)

- Tuesday September 30, 2014 @ 2:00 pm (Regular Adjourned Meeting for September)

VI. ADJOURNMENT

There being no further business to come before the board and upon a motion to adjourn the meeting offered by Director Fitzsimmons, seconded by Director Anderson and carried unanimously, the meeting was adjourned at 4:24 p.m.

Adjourn @ 4:24 p.m.

Signature on file at District office. _____
George Stockton, Secretary

ATTEST:

Signature on file at District office. _____
W.D. "Bill" Knutson, President