

**MINUTES OF THE REGULAR ADJOURNED MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
June 26, 2015**

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 Friday, the 26th day of June, 2015.

**Regular Adj.
Meeting
6/26/15**

1. ROLL CALL – DETERMINATION OF QUORUM

President Knutson called the meeting to order at 2:00 p.m. A quorum was present.

**Call to Order
2:00 pm**

Directors Present:

Present: 5

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

Directors Absent:

Absent: 0

None

Others Present:

Others Present

- | | |
|--|-------------------------------|
| Linden Burzell, General Manager | Charles and Stephanie Mathews |
| Lori A. Johnson, Director of Finance | Jeff Pape |
| Todd Engstrand, Director of Operations | Mindy Houser |
| Blaise Jackson, Counsel | Chuck Bandy |
| Bobby Graziano | Roland Simpson |
| Brad Smith | Daren House |
| Jeremy Jungreis | Caitlin Cunha |
| Ron & Ann Slifka | Albert Munoz |
| Peter Jordan | Joann Clarey |
| Jennifer Wheelock | Pat Reeve |
| | Richard Walworth |

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

There were no amendments to the agenda.

Approval of Agenda

4. PUBLIC COMMENT

Public Comments:

Roland Simpson announced his candidacy for Director Fitzsimmons’s seat in the event that the proposed recall election is called. He also announced that Don Broomell will run for Director Stockton’s seat if that recall election is called. Daren House demanded to know whether it was true that the District’s General Manager had lost the sight in one eye, and if so, that he shouldn’t be allowed to drive a District vehicle because of the potential liability.

I. CONSENT CALENDAR

Consent Calendar Approved:

Director Watkins moved approval of the Consent Calendar, consisting of the *Approval of the Minutes of the Special Meeting (Board Workshop) of April 27, 2015 and the Regular Meeting of April 27, 2015; Approval of Accounts Paid and Payable and reporting under Government Code §53065.5 for April and May, 2015; Acceptance of the Monthly Financial Reports for April and May, 2015, Treasurers Report and Cash Statement; Resolution No. 1615-15 Establishing the Appropriation Limit for Fiscal Year 2015/16 Pursuant to Article XIII B of California Constitution; Resolution No. 1616-15 Approving Agreement for Water Service and Management Contract for the Lazy H Mutual Water Company and Rescinding Resolution No. 1559-14; Resolution No. 1617-15 Approving Agreement for Record Keeping and Secretarial Services for the Mootamai Municipal Water District and Rescinding Resolution No. 1560-14; Resolution No. 1618-15 Approving Agreement for Record Keeping and Secretarial Services for the Upper San Luis Rey Watershed Authority and Rescinding Resolution No. 1561-14; Resolution No. 1619-15 Approving Agreement for Emergency and Support Services for the Rancho Estates Mutual*

Regular & Special Meeting Minutes – 4/27/15

April/May Paid/Payables

April/May Financial Reports

Res. #1615-15 Appropriation Limit

Res. #1616-15 Lazy H Agreement

Res. #1617-15 Mootamai Agreement

Res. #1618-15 USLRWA Agreement

Res. #1619-15 REMWC Agreement

Water Company and Rescinding Resolution No. 1562-14; Resolution No. 1620-15 Approving Agreement for Emergency and Support Services for the Pauma Valley Water Company and Rescinding Resolution No. 1563-14; Resolution No. 1621-15 Authorizing Change to Employer Paid Member Contribution CalPERS #1812; and Resolution No. 1622-15 Amending Employee Manual Sections: 12 Hiring of Related Persons; 16-B Employee Pension Plan; 16-E Health Insurance; 16-O Sick Leave; 32 Job Descriptions and 33 Pay Range Schedule. The motion was seconded by Director Fitzsimmons and approved upon the following roll-call vote, to wit:

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

II. SPECIAL REPORTS

1. Joint Powers Fire Report

No report. Chief Williamson and Capt. Johnson were unavailable because of their response to a fire.

III. ACTION/DISCUSSION

1. Objection by Rancho Pauma Mutual Water Company to the Allocation Procedure and Drought Allocation Methodology

Jeff Pape explained the Rancho Pauma Mutual Water Company has begun a groundwater management program due to the drought and loss of local supply and has reduced their pumping from the basin from 2,755 ac.ft./year to 1,837 ac.ft/year as a sustainable yield. The water from Rancho Pauma’s meter connection to the District is needed to meet the shortfall and serve their customers. Jeremy Jungreis re-stated from his earlier memo, Rancho Pauma’s objections to the methodology used by the District to calculate a base for Rancho Pauma for use in establishing an allocation responsive to the drought and the imported water cut backs on the District from the San Diego County Water Authority (Water Authority). General Manager Burzell described the methodology as it was applied, given the terms of Rancho Pauma’s wholesale agreement relating to acreage developed as of April 15, 1977. Mr. Mathews urged the Board to reconsider the proposed allocations in light of the

**Res. #1620-15
Pauma Valley
WC Agreement**

**Res. #1621-15
CalPERS
Member
Contributions
Amendment**

**Res. #1622-15
Amendments to
Employee
Manual**

Fire Report

**Rancho Pauma’s
objections to
allocation
procedure – no
formal action**

law, reasonableness and the impact on agriculture. The Board informally directed Staff to discuss, with Water Authority staff, the possibility of a revised loss of local supply adjustment for all of the mutual water companies and private well owners in the District. Per Board direction no penalties are to be assessed in connection with July usage.

2. Public Hearing to Receive Comments and Consider Adoption of the Proposed Schedule of Water Rates and Charges and Amending Rules and Regulations Governing Water Service (Schedule of Rates, Rentals, Fees, Deposits and Charges – Sections §2.27; 2.3.0; 2.3.1; 4.1.1; 8.5.3; 8.2.6; 9.1.2; 11.5; 12.14; 16.1.2; 16.3; 16.5 & 18.3.6.

President Knutson called the hearing to order at 2:58 pm. Finance Director Johnson reported that this Hearing had been duly noticed as required. Secretary Stockton reported that no written or oral comments have been submitted prior to the hearing. There being no members of the public present who wished to speak, President Knutson declared the hearing closed at 3:06 pm.

**Public Hearing:
Rates &
Charges**

No comments

- 2-A. Adoption of the Proposed Schedule of Water Rates and Charges and Amending Rules and Regulations Governing Water Service (Schedule of Rates, Rentals, Fees, Deposits and Charges – Sections §2.27; 2.3.0; 2.3.1; 4.1.1; 8.5.3; 8.2.6; 9.1.2; 11.5; 12.14; 16.1.2; 16.3; 16.5 & 18.3.6.

Upon a motion by Director Fitzsimmons, seconded by Director Watkins, Resolution No. 1623-15 *Adopting the Schedule of Water Rates and Charges and Amending Rules and Regulations Governing Water Service (Schedule of Rates, Rentals, Fees, Deposits and Charges – Sections §2.27; 2.3.0; 2.3.1; 4.1.1; 8.5.3; 8.2.6; 9.1.2; 11.5; 12.14; 16.1.2; 16.3; 16.5 & 18.3.6.* was adopted by the following roll call vote, to wit:

**Res. #1623-15
Rates &
Charges**

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

3. Proposed Resolution Adopting the Operating and Capital Budgets for Fiscal Year 2015-2016.

After discussion and upon a motion by Director Fitzsimmons, seconded by Director Villalobos, Resolution No. 1624-15 *Adopting the Operating and Capital Budgets for Fiscal Year 2015-2016*, was approved by the following roll call vote, to wit:

Res. #1624-15
2015-16
Operating &
Capital Budgets

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

4. Proposed Resolution Authorizing an Increase in the Commercial Security and Business Loan Agreement with California Bank & Trust for ACH Transactions and Rescinding Resolution No. 1589-15

Upon a motion by Director Watkins, seconded by Director Stockton, Resolution 1625-15 *Authorizing an Increase in the Commercial Security and Business Loan Agreement with California Bank & Trust for ACH Transactions and Rescinding Resolution No. 1589-15* was approved by the following roll call vote, to wit:

Res. #1625-15
Increase in
ACH Limit

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

5. Approve Agreement for Participation in the San Diego County Water Authority's WaterSmart Field Services Program

Upon a motion by Director Fitzsimmons, seconded by Director Stockton, *Approving Agreement for Participation in the San Diego County Water Authority's WaterSmart Field Services Program and Directing Staff to Pursue Funding Opportunities to Assist Farmers in Converting to High-Density Planting Systems* was approved by the following roll call vote, to wit:

Approving
Agreement with
SDCWA
WaterSmart
Field Services
Program

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

6. Association of California Water Agencies (ACWA) Call for Candidate

Nominations for the 2016/2017 Term (President and Vice President)

After discussion, no candidate nominations were made and therefore, no action was taken.

ACWA
Elections for
President &
Vice President

No Action

7. Proposed Ordinance Establishing a Comprehensive Emergency Framework of Response to Governor’s Executive Order B-29-15 and Other Drought Related Requirements.

After discussion and upon a motion by Director Watkins, seconded by Director Fitzsimmons, Ordinance No. 120-15 *Establishing a Comprehensive Emergency Framework of Response to Governor’s Executive Order B-29-15 and Other Drought Related Requirements* was approved by the following roll call vote, to wit:

Ord. #120-15
Drought
Response

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

IV. INFORMATION/REPORTS

IV-1. Board Reports/Meetings

- Vice President Watkins reported that after numerous regular and special meetings, the Water Authority has approved a budget. The treated water rate will increase 5.4% and the untreated water rate will increase by 6.6%. Staff reductions of approximately 55 positions are now occurring as a result of the near completion of the San Vicente Dam. The State budget contains about \$30 million for agricultural water use efficiency programs. The state legislature is considering legislation to mandate consolidation of water agencies. The State Water Board is apparently preparing to involve itself in water rate-setting.
- Director Fitzsimmons reported on a highly recommended class he attended that was offered by the California Special Districts Association, on the “Foundations of Governance.”

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. There were no questions.

Capital Improvements

IV-4. Operations Report

Director of Operations and Engineering Engstrand reported to the Board that Spring Water Development (Steve Harich) was unsuccessful in the attempt to remove the drill stem lodged in Horizontal Well No. 43. There were no question from the Board.

Operations & Engineering Report

IV-5. Counsel's Report.

Counsel Jackson did not have anything to report.

Counsel's Report

None

IV-6. Finance Report

Director of Finance Johnson stated the all accounts are current with the exception of the one account that will be brought back to the board next month to place on the tax rolls. She referred to the auditors confirmation of audit services letter for FY 2014-15 that was included in the board packet stating that it correctly sets forth the Districts understanding of services and expectations.

Finance Reports

Director of Finance Johnson updated the Board on the Humason encroachment of the District's Hegardt Parcel stating that the encroachments have been removed and the fencing of the District's parcel is underway.

The last of the above ground IDA facilities on parcels owned by others were discussed. Staff has identified Well #23, Well #17 and Well #14 as having above ground facilities not expressly covered by the IDA "Blanket Easement". The Board directed staff to proceed with getting the legal descriptions drawn up and to use the

same formula as used on the booster stations to obtain the required easements.

The IDA special connection listing for parcels overplanted and covering future plantings was reviewed next. Director of Finance Johnson stated that there are a total of 4,020 acres in Improvement District A of which 1,151 are District owned watershed and facility parcels leaving 2,870 acres of which 2,091 are covered with special connections and are eligible to use water on. There are still approximately 40 acres that appear to be using water in IDA without sufficient special connections to cover the acreage based on arials. She explained that due to limited staff time to work on this project she would like the board to consider allowing an additional month to work with the property owners to determine the special connections that are due. The Board agreed to extend the \$2,500 per acre special connection to those acres that are overplanted and billed by July 31, 2015.

V. OTHER BUSINESS

**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. In the Court of Appeal of the State of California Fourth District, Division One: Rancho Pauma Mutual Water Company v. Yuima Municipal Water District.**

Closed Session

The Board entered closed session at 4:12 p.m. and resumed deliberation in open session at 4:24 p.m.

REPORT AFTER CLOSED SESSION

Not action was taken.

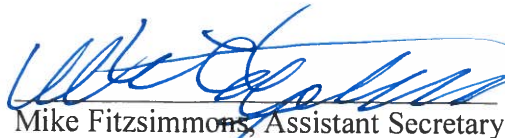
No Action

VI. ADJOURNMENT

There being no further business to come before the board, President Knutson declared the meeting adjourned at 4:25 p.m. to Friday, July 31, 2015 at 2:00 p.m.

Adjourn @ 4:25 p.m.

Next meeting:
Friday, July 31,
2015 @ 2:00 pm


Mike Fitzsimmons, Assistant Secretary

ATTEST:


W.D. "Bill" Knutson, President