

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
January 25, 2016**

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 25th day of January, 2016.

**Regular Meeting
01/25/16**

1. ROLL CALL – DETERMINATION OF QUORUM

President Knutson called the meeting to order at 2:01 p.m. A quorum was present.

**Call to Order
2:01 pm**

Directors Present:

Present: 5

W.D. "Bill" Knutson, President
Ron Watkins, Vice-President
Terry Yasutake, Secretary/Treasurer
Mike Fitzsimmons, Director
Laney Villalobos, Director

Quorum Present

Directors Absent:
none

Absent: 0

Others Present:

Others Present

Lori A. Johnson, General Manager
Todd Engstrand, Operations Manager
Amy Reeh, Accountant
Chief Cristina Williamson, CalFire
Captain Rick Johnson & Captain Silva, CalFire
Richard Teaman, CPA, Teaman, Ramirez & Smith
Rick Gallo, CPA, Teaman, Ramirez & Smith
Ron Currier
Joann Morgan
Bobby Graziano
Roland Simpson
Daren House
Patsy Fritz
Todd Lower
Gilbert Caballero
Bill Winn

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

2. PLEDGE OF ALLEGIANCE

President Knutson led those present in the Pledge of Allegiance.

3. APPROVAL OF AGENDA

There were no amendments to the agenda.

4. PUBLIC COMMENT

None

I. CONSENT CALENDAR

Director Fitzsimmons noted a correction to the minutes requesting the verbiage that the contractor has only 2 years experience be eliminated as he did not make that statement. Director Watkins moved to approve the Consent Calendar with the correction as noted. The motion was seconded by Director Yasutake and the Consent Calendar, consisting of the approval of the *Regular Meeting Minutes of December 28, 2015; approval of the Accounts Paid and Payables, Treasures Report and Cash Statement for the month of December, 2015* was approved by the following roll call vote, to wit:

- AYES: Watkins, Fitzsimmons, Villalobos, Yasutake, Knutson
- NOES: None
- ABSTAIN: None
- ABSENT: None

II. SPECIAL REPORTS

1. Joint Powers Fire Report

Chief Williamson reported the fire station has had 668 calls since January 1, 2016. Captain Silva reported the burn ban has been lifted due to a number of different factors, such as the amount of rain received and the current weather conditions. Burn time has been extended until 3 pm. He also stated that the CalFire Rincon Station still has plenty of filled sand bags for Pauma Valley residents in preparation of the projected

Pledge of Allegiance

Approval of Agenda

Public Comments: none

Consent Calendar Approved: Minutes 12/28/2015; Accts Paid & Payable; Financial Reports – December, 2015

Cal Fire Report

Burn Permits

El Nino Preparation

rains. The County has provided 3000 bags and a truck and trailer load of sand. Ten filled sand bags are available to home owners per visit.

As a follow up to last month's report of how the SRA funds are being used, Chief Williamson and Captain Silva presented two large signs of the seven purchased as examples of the high fire danger signs that have been purchased to install along Highway 76. The signs are 4 feet by 6 feet and extremely colorful to grab attention. The next step is sign placement, which requires a Caltrans encroachment permit. Captain Silva spoke about the pending Pauma Valley Fuel Reduction Project (PVFRP). Pauma Valley Fire Safe Counsel missed the deadline for the extension. The proposed project would include a 150 foot wide fire break clearing an area north of Highway 76 extending 12 miles and clearing 22 acres of land total. Chief Williamson reported that steps are currently being taken in an effort to rebuild and modernize local station 70, originally completed in 1958. This project has been identified since 2008 and could take three to five more years to complete.

SRA Fees

Fuel Reduction Project

New Fire Station

III. ACTION/DISCUSSION

1. Consider Approval of the Yuima Municipal Water District's Fiscal Year 2014-2015 Audited Financial Statements and 2014-2015 Comprehensive Annual Financial Report (CAFR)

Accountant Amy Reeh presented a brief recap of the District's Statement of Revenue and Expenses and Changes in Net Assets as well as the Statement of Net Position for the Fiscal Year ending June 30, 2015. The presentation highlighted the gain in Net Assets of \$124,399 and the effect of the GASB 68 reporting requirement on the District's Net Position. She noted that of the \$17.5 million dollars in total assets the District had \$1.9 million dollars in cash and investments. Auditor Richard Teaman then presented the Audit Report noting there were no findings or deficiencies in the District Financial Reports. He stated they issued a clean opinion. There was a lengthy discussion between the attendees and the auditor regarding the entry for pension liability in the amount of \$2.1 million as required under GASB 68 and the significant reduction of the "Unrestricted" portion of the Net Position. Mr. Teaman explained that the "Unrestricted" balance is not the cash balance of the District or the only cash on hand that the District has to spend; it is the amount of cash reserves that is not dedicated to a

Audited Financial Presentation

Net Pension Liability

specific purpose such as the Net Pension liability. Director Villalobos stated that she would like to look into terminating CalPERS and just have Social Security. Manager Johnson explained that the District does not currently participate in Social Security. She stated that the employer PERS rate under PEPRA is 6.25% and if the District elected to opt into the Social Security System, the employer rate is currently 6.2%. She cautioned that the District may not be able to pick and choose who they can put under social security. The District may be required to cover all employees which would cost the District an additional 6.2% on top of the PERS classic employer rate of 11.718%. Director Fitzsimmons moved to approve the Audited Financial Statements and CAFR. The motion was seconded by Director Watkins, and approved by the following roll call vote, to wit:

- AYES: Watkins, Fitzsimmons, Villalobos, Yasutake, Knutson
- NOES: None
- ABSTAIN: None
- ABSENT: None

2. Certificate of Compliance by Yuima MWD as Successor in Interest to Palomar Mutual Water Company for the Calendar Year 2015 (Strub)

Certificate of Compliance

Manager Johnson stated that the annual Certificate of Compliance (provided in the Board packet) verifying the amount of water purchased and produced on behalf of Improvement District A for calendar year 2015 is required to be filed with the court. Director Fitzsimmons motioned to approve the filing of the certification. The motion was seconded by Director Yasutake and carried unanimously, by the following roll call vote, to wit:

- AYES: Watkins, Fitzsimmons, Villalobos, Yasutake, Knutson
- NOES: None
- ABSTAIN: None
- ABSENT: None

3. President's Appointments to Committees

Committee Appointments

President Knutson made the following appointments to committees:

Director Fitzsimmons and Director Yasutake were appointed to the Employee Recognition Committee. All other committees will retain the same. The Fire

Ad-hoc Committee and the New Pipeline Committee were eliminated

IV. INFORMATION/REPORTS

IV-1. Board Reports/Meetings

President Knutson reported that JPIA will be meeting next month.

JPIA Report

Director Watkins reported on the upcoming retirement of Tom Wornham and the attention it brings to the large turnover of the Water Authority's Board Members due to retirements. Director Watkins also reported on the high cost of water projects that the Water Authority incurs because of permits and fees. The most recent Mitigation for a project was upwards of 2.4 million dollars. This is a concern because the Water Authority will most likely pass those fees on to all water districts through fixed costs.

CWA Report

IV-2. Administrative Report

Manager Johnson called the board's attention to the recent meetings regarding a Groundwater Management Plan (GWMP). The Upper San Luis Rey Watershed Authority is beginning the process of developing a Groundwater Sustainability Agency (GSA). She noted that the County of San Diego is available to work with the Watershed Authority, however, care needs to be taken to not let the County take over the plan completely. There was a special meeting of the Upper San Luis Rey Watershed Authority on February 2nd at 10:00 a.m. to discuss the GSA. Manager Johnson is formulating a list of water agencies and private pumpers who she believes should be invited to participate in the development of the plan.

Administrative Report

Groundwater Management Plan

IV-3. Capital Improvement Program

Manager Johnson called the board's attention to the Capital Improvement Program. She noted that the chloramine projects are in progress.

Capital Improvements

IV-4. Operations Report

Operations Manager Engstrand highlighted the recent cleaning and inspection of the Eastside Tank noting that much of the roof plate exhibited signs of rust. The Board should consider a recoating project for the Eastside Tank roof within the next five years to prevent further corrosion and potentially structural damage. Director Watkins suggested staff obtain static water levels of the River Wells after significant rain events to study the effects on groundwater recharge in the San Luis Rey River Basin.

Operations & Engineering Report

IV-5. Counsel’s Report.

Counsel Scott was not present.

Counsel’s Report

IV-6. Finance Report

Manager Johnson reviewed the delinquent accounts listing and stated there are no concerns at this time. She reviewed the 6 month budget report noting that sales are at 47.5% to budget. She noted operating expenditures are down as well as imported water purchases. Utilizing the lower cost local water when demands are down helps the District’s budget. At six months ending December, the District’s net margin in operations is in the positive (\$293k) verses a negative (\$438k) this time last year largely due to lower legal costs and wage and benefit expenditures. She called the Board’s attention to the change in net position statement included in the packet noting a positive net position of \$386,362 at December 31, 2015.

Finance Reports Delinquent Accounts

Positive Net Position @ 12/31/15

Manager Johnson stated that the easement documents for the Districts’ above ground facilities in IDA will be completed in the coming months.

IDA Above ground facilities requiring easements

The Board was reminded that Form 700, Statement of Economic Interests for 2015 can be completed on line this year.

V. OTHER BUSINESS

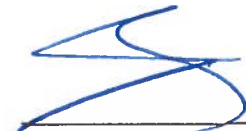
No other business at this time.

None

VI. ADJOURNMENT

There being no further business to come before the board, President Knutson declared the meeting adjourned at 4:28 p.m. The next meeting of the Board will be held on Monday, February 22, 2016 at 2:00 p.m.

Adjourn @4:28
p.m.



Terry Yasutake, Secretary

ATTEST:



W.D. "Bill" Knutson, President