

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
June 20, 2016**

The Special 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 20th day of June, 2016.

**Special Meeting
6/20/2016**

1. ROLL CALL – DETERMINATION OF QUORUM

**Call to Order
2:05 pm**

President Knutson called the meeting to order at 2:05 p.m. A quorum was present.

Directors Present:

Present: 5

W.D. “Bill” Knutson, President
Ron Watkins, Vice-President
Terry Yasutake, Secretary/Treasurer
Laney Villalobos, Director
Roland Simpson, Director

Directors Absent:

Absent: 0

None

Others Present:

Others Present

Lori A. Johnson, General Manager
Amy Reeh, Accountant
Bob Fowler, Consultant
Daren House
John Swedensky, CalPERS Asst. Division Chief (via teleconference)

Quorum Present

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

3. APPROVAL OF AGENDA

There were no amendments to the agenda.

Approval of Agenda

4. PUBLIC COMMENT

There were no public comments

Public
Comments:
none

I. ACTION/DISCUSSION

- 1. Review the performance of the District’s CalPERS California Employers’ Retiree Benefit Trust (CERBT) and consider changing the District’s Investment Strategy

President Knutson stated that the District joined CERBT trust in 2010 as a way to reduce future liability by funding the trust and applying the earnings in the trust to the account. John Swedensky from CalPERS reviewed the Retiree Benefit Trust annual update with the board via teleconference and answered questions. Manager Johnson reminded the board that the defined benefit plan was changed to a defined contribution plan. Since there were no management employees eligible to participate in the District’s defined contribution plan at this time the Board suspended the defined contribution plan effective July 1, 2016. She state there are currently 3 retirees and 1 eligible participant in the defined benefit plan. The plan is fully funded at the end of June. Now that the OPEB liabilities are capped it would be prudent for the Board to consider changing investment objectives from growth to asset preservation. Upon motion offered by Director Watkins, seconded by Director Villalobos to change the trust investment strategy from Investment Strategy 1 (growth) to Investment Strategy 3 (preservation of capital), was approved upon the following roll-call vote, to wit:

Annual
Employers’
Retiree Benefit
Trust
(CERBT)
review

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

Changing
CERBT
Investment
Strategy 1 to
Strategy 3

- 2. Review Proposed Capital Improvement Projects for FY 2016-17

Manager Johnson reviewed the proposed capital projects for fiscal year 2016-17 noting that the General District project schedule totals \$455,000 and the Improvement District schedule totals \$385,000. Following review and discussion the

Review
proposed
capital
improvement
schedules for
2016-17

Board concurred with the capital project recommendations. Manager Johnson stated the proposed Capital Projects totaling \$840,000 will be incorporated into the 2016-17 budget for approval at the June 27th board workshop at noon.

3. Discussion regarding Professional Engineering Services

Manager Johnson requested the Board give direction as to their desire to fill the need for engineering services. Options presented were: 1) allow the General Manager to outsource engineering services at the most cost effective way for the needs as they arise; or 2) request proposals to solicit Statement of Qualifications from engineering firms for the Board to review, to ultimately hire a firm or multiple firms to perform the District's engineering services. Following lengthy discussion and upon motion offered by Director Watkins to engage HDR Engineering to review the County Water Authority (CWA) Emergency Storage Project – District and VCMWD interconnect Facility project planning study and provide support services for the Caltrans SR-76/Valley Center Road Roundabout – East Lateral Water Main Relocation. The motion was seconded by Director Yasutake and was approved upon the following roll-call vote, to wit:

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

Director Watkins suggested that Manager Johnson present a request for proposals for engineering services within the next month or for the Forebay Renovation Study and bring it back to the Board for review. Manager Johnson stated she will continue to engage miscellaneous engineering services on an as needed basis.

4. Update on State Water Resources Control Board (SWRCB) and MET's relaxed Water Use Restrictions

Manager Johnson updated the board on the relaxed water use restrictions noting that the base allocations will be removed from the June water billing. The District did not collect any penalties from its customers during the cut back period

Engineering
Services

and therefore will not be applying any refunds. She stated the water rate will remain in effect until the new fiscal year rates are adopted which will go into effect in July.

II. OTHER BUSINESS

Manager Johnson notified that Board that staff has performed some additional calculations on the direct pass-through of the fixed charges from San Diego County Water Authority and Met, following recent discussions with Rancho Pauma Mutual Water Company staff, Mindy Houser and Jeff Pape. The revised calculations will be reviewed with the General District customers prior to the public hearing scheduled for 2 pm on Monday June 27th. She stated that this item will be discussed at the workshop at noon on the 27th.

Additional calculations on the Direct Pass-through of CWA & MET fixed charges

III. ADJOURNMENT

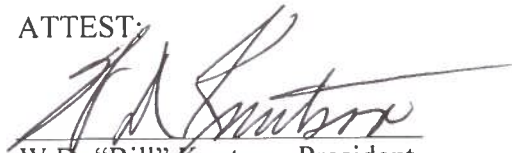
There being no further business to come before the board, President Knutson declared the meeting adjourned at 5:00 p.m.



Ferry Yasutake, Secretary

**Adjournment
5:00 pm**

ATTEST:



W.D. "Bill" Knutson, President