

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
YUIMA MUNICIPAL WATER DISTRICT  
June 27, 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 27th day of June, 2016.

**Regular Meeting  
06/27/16**

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

President Knutson called the meeting to order at 2:04 p.m. A quorum was present.

**Call to Order  
2:04 pm**

Directors Present:

**Present: 5**

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

**Quorum Present**

Directors Absent:  
None

**Absent: 0**

Others Present:

**Others Present**

Lori A. Johnson, General Manager  
Jolyn Duff, Customer Service/Accounting Tech  
Amy Reeh, Accountant  
Jeff Scott, Legal Counsel  
Rick Johnson, Captain Cal Fire  
Ryan Silva, Captain Cal Fire  
Doug Anderson  
Daren House  
Mindy Houser, RPMWC  
Charles Mathews, RPMWC  
Jeff Pape, RPMWC  
Bobby Graziano , REMWC

**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**

There were no public comments.

**I. CONSENT CALENDAR**

Director Watkins moved approval of the Consent Calendar, consisting of the *Minutes of the May 23, 2016 Regular & Special Meetings; Minutes of the June 20, 2016 Special Meeting, Accounts Paid and Payables for May; Treasures Report and Cash Statement for the month of May 2016; Resolution No. 1677-16 Approving Agreement for Water Service and Management Contract for the Lazy H Mutual Water Company and Rescinding Resolution No. 1616-15, Resolution No. 1678-16 Approving Agreement for Record Keeping and Secretarial Services for the Mootamai Municipal Water District and Rescinding Resolution No. 1617-15, Resolution No. 1679-16 Approving Agreement for Record Keeping and Secretarial Services for the Upper San Luis Rey Watershed Authority and Rescinding Resolution No. 1618-15, Resolution No. 1680-16 Approving Agreement for Emergency and Support Services for the Rancho Estates Mutual Water Company and Rescinding Resolution No. 1619-15, Resolution No. 1681-16 Approving Agreement for Emergency and Support Services for the Pauma Valley Water Company and Rescinding Resolution No. 1620-15, Resolution No. 1682-16 Authorizing Change to Employer Paid Member Contribution CalPERS #1812 and Resolution No. 1683-16 Amending Employee Manual Sections: 16-B Employee Pension Plan; 16-E; Health Insurance; 16-F Retires' Health Benefit Plan* as listed on the Consent Calendar. The motion was seconded by Director Yasutake and was approved upon the following roll-call vote, to wit:

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

**Pledge of Allegiance**

**Approval of Agenda**

**Public Comments: None**

**Consent Calendar Approved:**

Minutes of the May 23, 2016 Regular Meeting, Minutes of the May 23, 2016 Special Meeting, Minutes of the June 20, 2016 Special Meeting, Accounts Paid and Payables for May, Treasures Report and Cash Statement for the month of May 2016, Resolution No 1677-16 Approving Agreement for Water Service and Management Contract for the Lazy H Mutual Water Company and Rescinding Resolution No 1616-15, Resolution No 1678-16 Approving Agreement for Record Keeping and Secretarial Services for the Mootamai Municipal Water District and Rescinding Resolution No 1617-15, Resolution No 1679-16 Approving Agreement for Record Keeping and Secretarial Services for the Upper San Luis Rey Watershed Authority and Rescinding Resolution No 1618-15, Resolution No 1680-16 Approving Agreement for Emergency and Support Services for the Rancho Estates Mutual Water Company and Rescinding Resolution No 1619-15, Resolution No 1681-16 Approving Agreement for Emergency and Support Services for the Pauma Valley Water Company and Rescinding Resolution No 1620-15, Resolution No 1682-16 Authorizing Change to Employer Paid Member Contribution CalPERS #1812 and Resolution No 1683-16 Amending Employee Manual Sections 16-B Employee Pension Plan, 16-E, Health Insurance, 16-F Retires' Health Benefit Plan

## II. SPECIAL REPORTS

### 1. Joint Powers Fire Report

Captain Johnson reported Cal Fire has experienced increased calls medical aid runs partly due to summer time and increased traffic going to the La Jolla campground and motorcyclists going to Palomar Mountain. On May 30, the battalion started staffing two engines full staff. He stated there is a no burn proclamation in effect in San Diego County. The Pauma Valley Fire Safe Council has installed 4 fire safety reminder signs in Pauma Valley. He stated that the Battalion Chief position is still vacant. The destructive beetle has made its way to the pine trees on Palomar Mountain. Work continues on the Lusardi truck trail. Captain Johnson stated the best time to perform work for defensible space is before 10 am. It was agreed that Cal Fire will provide a flier to put in with the water bills regarding fire safety.

## III. ACTION/DISCUSSION

### 1. Public Hearing to receive Comments and Consider Adoption of the Proposed Schedule of Water Rates and Charges

President Knutson requested a report from staff on the proposed changes to the rates and charges. Manager Johnson reported there is a proposed .07% to 16% increase in water rates effective July 1, 2016 in order to maintain the required TSAWR differential in the rate. She stated that there is a proposed 9% decrease in the meter charges which keeps the fixed cost recovery at approximately 30%. She reported that the CWA/IAC charge is increasing 3.9% on January 1, 2017, from \$2.76 to \$2.87 per EDU and is passed directly through the same way as CWA charges this District on the meter EDU. She stated that the \$407,537 CWA fixed charges are proposed to be passed through to the General District customers based on the same methodology as the Water Authority uses to assess the charge to the District.

Director Simpson stated we should put another mailer in the water bill showing the projected CWA rates and add a line for the energy so the farmers can plan some type of an exit strategy.

Manager Johnson stated a 16% increase is proposed in the Improvement District water rate to cover the Improvements District's portion of the CWA fixed charges as well as the General Districts charges assessed to IDA and also includes a component to cover IDA capital improvements this fiscal year, which includes an additional local water well.

Chairman Knutson opened the public hearing at 2:26 pm.

Bobby Graziano asked for an explanation as to the proposed 16% increase in the General District water rate. Manager Johnson explained that in the past the General District had local water supply that was melded in the calculation for the required TSAWR rate differential. TSAWR customers agreed to take deeper cuts in times of cut-backs. CWA is requiring the District to maintain a differential in the TSAWR rate which has increased due to loss of local supply in the general district.

Charles Mathews requested staff explain the difference between the columns on the public hearing notice labeled CWA/MET fixed charge and CWA infrastructure access charge and the 4 or 5 pass-through charges that are being discussed. Manager Johnson explained that the CWA infrastructure access charge is based on EDU's and passed through on meter size as a separate line item on the bill. The CWA/MET fixed charges are being proposed to be passed through based on the same methodology as CWA uses to assess the charge to the District.

Mr. Mathews stated to clarify that response you are then saying that this column showing the CWA fixed charge are being allocated as directed by the board. Manager Johnson stated that the fixed charges shown on the notice are being replaced by a direct pass through method on the same method CWA is using. Mr. Mathews stated then am I correct in saying that so therefore to restate my point the 10" charge will vary based on the rolling average methodology but my point is still that this is a public notice as to provide the public with the actual cost of service. Council Scott stated that the notice states it is a proposed rate. It is a notice of the public hearing to discuss the rates and charges. Mr. Mathews stated to clarify his point, this is a fixed charge per meter size, the rate that is being proposed is based on consumption and that is why he is bringing this up and appreciated the opportunity to point that out.

Director Watkins pointed out this does reflect the true cost of service to the customer as it is being proposed as a direct pass through and using the same methodology

as the water authority

Counsel Scott stated Proposition 218 provides for adequate notice on before the rate are approve. Mr. Mathews stated the CWA is method is flawed and that the board consider completing a cost of service study. Counsel Scott stated this was discussed at the workshop earlier and with respect to the cost of service study we still have to adopt the rates. The study is projected to take 3 months to complete and get the information back to the board which may lead into some adjustment. He stated that this is adequate notice. The notice stated that these are proposed rates and that is why we are having a hearing and want people to come in. The original proposal was to pass through the CWA fixed charges on an EDU basis. In the past these charges were melded with the District's local water. Now that the General District has no local water they need to be collected as a pass through.

Manager Johnson explained Water Authority fixed costs in the past used to be \$86k they are now over \$407k. The fixed CWA/MET charge as first proposed will be replaced with a direct pass through using the same methodology as the charge is calculated to the District. Director Watkins reiterated that this is a true cost to the customers. Manager Johnson stated the District is moving forward with a cost of service rate study at a cost of \$30,000 and is projected to be completed in approximate in 90 days.

The public hearing was closed at 2:47 pm

1-A Proposed 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; 15.3; 16.1; 16.2; 16.3, 16.3.1; 16.4; 16.5 & 18.3.6)

Director Watkins moved approval of Resolution No. 1684-16 *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; 15.3; 16.1; 16.2; 16.3, 16.3.1; 16.4; 16.5 & 18.3.6)* seconded by Director Yasutake, and approved upon the following roll-call vote, to wit:

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

Res. #1684-16  
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; 15.3; 16.1;  
16.2; 16.3, 16.3.1;  
16.4; 16.5 &  
18.3.6)

2. Proposed Resolution Adopting the Operating and Capital budgets for Fiscal Year 2016-2017

Manager Johnson stated the operating budget was reviewed at the workshop earlier in the day. Director Villalobos stated the District has no money to do anything. See also stated that she has not had enough time to read over the budget. Director Simpson agreed. Director Knutson moved approval of a resolution adopting the operating and capital budgets for fiscal year 2016-2017. The motion was seconded by Director Watkins but failed by the following roll call vote.

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

Manager Johnson stated a workshop would be scheduled within the next 3 weeks to give the board additional time to review the budget. Director Watkins moved to table the Resolution Adopting the Operating and Capital Budgets for Fiscal Year 2016-2017. The motion was seconded by Director Villalobos and approved upon the following roll-call vote, to wit:

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

3. Proposed Resolution Granting Encroachment Permit No. 2016-1 McMillan

Manager Johnson stated that McMillian is requesting to cross the District's pipeline in three areas and clean up the previous owners encroachments. Upon motion offered by Director Simpson for approval of Resolution No. 1685-16 *Granting Encroachment to McMillan-Permit No. 2016-1* The motion was seconded by Director Watkins and carried unanimously, by the following roll call vote, to wit:

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

**Res.#1685-16:  
Granting  
Encroachment  
to McMillan-  
Permit No.  
2016-1**

*Director Simpson left the meeting*

4. Proposed Resolution Granting Encroachment Permit No. 2016-2 House/Simpson

Upon motion offered by Director Simpson for approval of Resolution No. 1686-16 *Granting Encroachment to House/Simpson-Permit No. 2016-2* The motion was seconded by Director Watkins and carried unanimously, by the following roll call vote, to wit:

AYES: Villalobos, Yasutake, Watkins, Knutson  
NOES: none  
ABSTAIN: none  
ABSENT: Simpson

*Director Simpson reentered the meeting room*

**IV. INFORMATION/REPORTS**

IV-1. Board Reports/Meetings

President Knutson stated there was no JPIA report this month.

Director Watkins reported Water Authority is raising their rates 6%.

Manager Johnson informed the Board the Pauma Valley Groundwater Basin GSA Workgroup met on the June 16<sup>th</sup>. The workgroup has now split away from the USLRWA. The Pauma Valley Community Services District (PVCSD) stated that they are the largest recharge of the basin and they have a tie to groundwater management and they have filed to become a GSA. She stated that the County will file in August. This will create a conflict that will bring the parties to come together or if they cannot agree will bring the basin into non-compliance opening the door for the State to step in. Pala Tribe is opposed to the Oceanside's boundary modification at Frey Creek. The next meeting for the GSA Workgroup is scheduled for July 21st at the Pauma Valley Community Center.

IV-2. Administrative Report

Manager Johnson stated all cut-back restrictions have been lifted. She reported the District received \$606 back from the contingency fund for the Agricultural

**Resolution No. 1686-16: Granting Encroachment to House/Simpson-Permit No. 2016-2**

**JPIA Report  
CWA Report**

**GSA  
Workgroup**

**Administrative  
Report**

Management Plan preparation by the Farm Bureau.

Manager Johnson reported that she has not had any time to work on the Master Plan. No work has been done on that project to date.

Manager Johnson reported the next SDIRWM meeting is on July 12<sup>th</sup>. She has been invited to present the Lazy H Mutual Water Company's \$265,000 consolidation grant and the \$1.75M grant for the groundwater basin study.

Manager Johnson stated she is working on a plan to get all the fan wells in an isolated line directly to Tank 8. She is also working with staff to isolate Well #23 in the Rincon Truck stop line.

IV-3. Capital Improvement Program

Manager Johnson called the Board's attention to the Capital Improvement Program.

Capital Improvements

IV-4. Operations Report

Manager Johnson called the Board's attention to the Operations Report. There were no questions.

Operations Report

IV-5. Counsel's Report.

Counsel Scott reported that Senate Bill 885 has been pulled from vote. Manager Johnson stated that she wrote a letter in opposition to the bill. The bill would have prohibited contracts that require state licensed design professionals, including engineers, land surveyors, architects, and landscape architect, to defend claims made against other persons or entities involved in construction projects.

Counsel's Report

IV-6. Finance Report

There were no questions

Finance Reports

V. OTHER BUSINESS

None

Other Business



**VI. ADJOURNMENT**

There being no further business to come before the board, President Knutson adjourned the meeting at 3:56 pm.

Adjourn @ 3:56  
pm

  
\_\_\_\_\_  
Terry Yasutake, Secretary

ATTEST:

  
\_\_\_\_\_  
W.D. "Bill" Knutson, President