

**MINUTES OF THE REGULAR ADJOURNED MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
December 16, 2016**

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 16th day of December, 2016.

**Regular Adj.
Meeting
12/16/16**

1. ROLL CALL – DETERMINATION OF QUORUM

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

**Call to Order
2:05 pm**

Directors Present:

W.D. "Bill" Knutson, President
Ron Watkins, Vice-President
Terry Yasutake, Treasurer
Laney Villalobos, Director
Roland Simpson, Director

**Present: 5
Quorum
Present**

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

Absent: 0

Directors Absent:
None

Others Present:

Susan Collins Meyer, Interim General Manager
Amy Reeh, Finance Manager
Nick Bishop, Captain Cal Fire
Lori A. Johnson
Doug Anderson, Rincon Oaks MWC
Daren House
Bobby Graziano, Rancho Estates, MWC
Patsy Fritz

Others 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.

Agenda Approved

4. PUBLIC COMMENT

Secretary Yasutake reported that he did not receive any speaker requests, and no other indication to speak was offered by members of the public present.

Public Comment

5. OATH OF OFFICE

Finance Manager Reeh reported that, in the interest of time, she administered the Oath of Office earlier in the day to recently elected board members, Ron W. Watkins from Division 3, Roland Simpson from Division 2, and Terry Yasutake from Division 5. Each was reseated on the board for terms which expire on the first board meeting in December, 2020 and which seats will be up for election again in November, 2020.

Oath of Office Directors Watkins, Simpson & Yasutake seated

6. AWARDS PRESENTATION

President Knutson thanked Lori A. Johnson, on behalf of the board, for her 37 years of dedicated service to the Yuima Municipal Water District and presented her with a Resolution of Appreciation. Ms. Johnson thanked the board and expressed that it was a rewarding experience even through the difficult times of drought and flooding disasters. President Knutson stated that the Employee Recognition Committee recognizes and rewards one employee each calendar year for their outstanding contribution to the District based on nominations from their peers. President Knutson presented the 2016 Employee of the Year Award to Amy Reeh. He also presented an Outstanding Service Award to Mark Quinn. Others not present to receive their awards were Jolyn Duff for Outstanding Service and Mitch Davis for Length of Service (15 years).

Awards Presentation

I. CONSENT CALENDAR

Director Simpson said that he would vote for the approval of the consent calendar, but that he wanted to make sure that he was reserving his right to review the rate structure passed in June 2016, effective July 1, 2016, through a process he has

Consent Calendar

Rate Review discussed

indicated as flawed. Manager Meyer stated that he wouldn't be giving up any rights to review the rates so long as the board voted to do that, and that it may elect to do that anyway after we receive the "cost of service" study back from the consultants. Finance Manager Reeh said that we should have the report by the end of the year and that it would be presented at the January 23rd board meeting. Following Motion offered by Director Watkins, seconded by Director Yasutake Items I-1 through I-3 on the Consent Calendar were approved by the following roll-call vote, to wit:

AYES: Villalobos, Simpson, Watkins, Knutson, Yasutake

NOES: None

ABSTAIN: None

ABSENT: None

Minutes of 11-17 & 11-4-16

Financial Rpts.

II. SPECIAL REPORTS

1. Joint Powers Fire Report

Captain Nick Bishop reviewed his written report included in the packet for the board, noting that November's activities were similar to that in October. He also said that there was a one acre fire outside of Yuima's boundaries that was able to be controlled due to a slight wind shift.

Special Report
(Cal Fire)

III ACTION/DISCUSSION

1. Public Hearing to Receive Comments and Consider Adoption of the District's Setting Forth Water Capacity Charges

Public Hearing:
Capacity Charges

President Knutson opened the public hearing at 2:42 p.m. for the consideration and adoption of increased capacity charges. There being no members of the public present and wishing to speak, and there being no written comments having been submitted, the hearing was closed at 2:45 p.m. Manager Reeh reported that the capacity charges which represent a component of the cost for a new water meter when installed is proposed to be increased as authorized by the board using the ENR-CCI-LA Index (Engineering News Review Consumer Cost Index for Los Angeles, Orange, and San Diego Counties). This represents a 1.57% increase beginning January 2017.

1-A. Proposed Ordinance Fixing Capacity Charges and Rescinding

Ordinance No. 121-15

Ordinance No.
123-16 & Rescind
Res. No. 121-15
Capacity Chrg.

Upon motion offered by Director Watkins, seconded by Director Villalobos Ordinance No. 123-16 was adopted by the following roll-call vote, to wit:

AYES: Watkins, Knutson, Yasutake, Villalobos, Simpson

NOES: None

ABSTAIN: None

ABSENT: None

2. Proposed Resolution Amending the Rules and Regulations Governing Water Service (Section 14.7 Capacity Charges)

Res. No. 1706-16
Rules & Regs.
Capacity Charge

Upon motion from Director Simpson and seconded by Director

Watkins, Resolution No. 1706-16 *Resolution Amending the Rules and Regulations Water Service (Section 14.7 Capacity Charges)* was adopted by the following roll-call vote, to wit:

AYES: Villalobos, Simpson, Watkins, Knutson, Yasutake

NOES: None

ABSTAIN: None

ABSENT: None

3. Proposed Resolution Setting Forth the Time and Place of Hearing and Giving Notice of Hearing for Notice of Intention to File a Negative Declaration Regarding the Local Groundwater Production Project

Res. No. 1707-16
Setting Hearing
on Neg. Dec.
Well 51 & 52

Upon motion offered by Director Watkins and seconded by Director Simpson, Resolution No. 1707-16 1 entitled *Resolution Setting Forth the Time and Place of Hearing and Giving Notice of Hearing for Notice of Intention to File a Negative Declaration Regarding the Local Groundwater Production Project* was adopted by the following roll-call vote to wit:

AYES: Villalobos, Simpson, Watkins, Knutson, Yasutake

NOES: None

ABSTAIN: None

ABSENT: None

4. 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 §11.5; 16.1; 16.5; & 18.3.6 Water Rates)

Res. No. 1708-16
Increased Wtr
Rates
\$90 CWA
Pass thru

Following report by General Manager Meyer, motion was offered by Director Simpson, seconded by Director Yasutake, and adoption of Resolution No. 1708-16, entitled *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 §11.5; 16.1; 16.5; & 18.3.6 Water Rates)* was carried by the following roll call vote, to wit:

AYES: Simpson, Watkins, Knutson, Yasutake, Villalobos

NOES: None

ABSTAIN: None

ABSENT: None

5. Proposed Resolution Amending the Rules and Regulations overning Water Service (Schedule of Rates, Rentals, Fees, Deposits, and Charges) (Section § 19.4 Wheeling Rate)

Res. No. 1709-16
Rules & Regs.
Wheeling Rate

Upon Motion offered by Director Watkins and seconded by Director Yasutake, Resolution No. 1709-16, *Resolution Amending the Rules and Regulations Governing Water Service (Schedule of Rates, Rentals, Fees, Deposits, and Charges) (Section § 19.4 Wheeling Rate)* was adopted by the following roll-call vote, to wit:

AYES: Simpson, Watkins, Knutson, Yasutake, Villalobos

NOES: None

ABSTAIN: None

ABSENT: None

III. INFORMATION/REPORTS

1. BOARD REPORTS

President Knutson reported on his attendance at the ACWA conference noting, among other things, that the Joint Powers Authority (JPIA) section of the Association of California Water Agencies has increased its risk sharing limits from \$2 million per occurrence to \$5 million per occurrence based upon their reserves and record of experience among its agencies.

JPIA

Director Watkins reported on the CWA's activities and reviewed the latest rainfall information they had distributed; noting things started off well, but have slowed down. He indicated that the State Water Resources Control Board (SWRCB) is looking to set permanent conservation rules and agencies are commenting on their proposed regulatory framework noting that "one size doesn't fit all." He stated San Diego has been investing several billion dollars in supply reliability and has been conducting outreach for conservation on a continual basis. Additionally, Director Watkins reported that SWRCB is looking at a 55 gpcd (gallons per capita per day) formula. He expressed concern as to the ability to monitor such a restriction and the fact that it would become a costly state mandate.

SDCWA

Director Watkins next gave a brief background review of the Groundwater Sustainability Agency (GSA) workgroup meetings and its recent activities. He indicated that the workgroup has reached a "milestone" of sorts since the 2014 Sustainable Groundwater Management Act (SGMA) was passed, stating that the group has made progress they just couldn't "get there" due to diverse interests and inability to reach a consensus. This included such things as voting representation and who would pay the between \$2 and \$3 million dollars in costs. Due to the requirement to have a GSA formed by the end of the calendar year the workgroup is now leaning toward the County being the lead agency in the GSA to develop the GSP. The County is also willing to fund the large costs associated with the project. We will be leaving our GSA applications in place and the County Counsel will be preparing a draft Memorandum of Understanding (MOU) by January 5, 2017 for each applicant to take to their prospective council to review. It will describe our particular conflicts and who we are going to work

GSA

with as management groups. The State Department of Water Resources is agreeable to this working arrangement. The MOU needs to be adopted by March 1, 2017. The next public hearing will be on January 25, 2017 at 10:00 a.m. at the Pauma Valley Community Center. The last workgroup meeting will be in February.

Manager Meyers expounded on her written report and reviewed her recent activities since reporting to the board at the last meeting that we had put our plan and design for Forebay Phase 1 “on hold” pending further investigation. This was done to look into the emergency crossover that was being proposed from CWA Pipeline 2 to Pipeline 1 and also their indication that CWA did not want us to operate with “in-line” pumps and by-pass our Forebay Tank as originally proposed in November. She indicated that staff had met with CWA engineers and operators and conducted a variety of operating scenarios and the conclusion is that we currently have a 15.5 cfs flow, which can be increased only slightly. Our Consulting Engineer, Steve Andrews, indicated that if we continue with Phase 1 as proposed in November (1100’ of 30” parallel line) it will deliver 17.0 cfs at an estimated cost of \$900,000. Alternately, 2000’ of 30” will deliver approximately 20 cfs at an estimated cost of \$1.5 million. Evaluation of a variable speed drive was also recommended which could push a little more water through. Mr. Andrews said that in order to get 25 cfs we need to up-grade the existing CWA flow control facility.

General Manager Meyer next reviewed the background of the Authority’s Emergency Storage Project and the final phase (North County Emergency Storage Project) that would serve Valley Center MWD and Yuima. This project would deliver 8 cfs to Yuima in late 2018, early 2019. It includes a new connecting 20” line through Valley Center’s system and pumping station. General Manager Meyer, along with our representative on the Authority, Director Watkins, CWA staff and Valley Center’s GM will be scheduled to meet mid-January to discuss whether operational flexibility would be available in other than “emergency” conditions and what the costs or other unknown issues might be. She also reviewed, in detail, possible operating options available to meet our peak demands in the meantime; should this become available (i.e. two new wells in IDA, bringing Well 23 back online, possible 4” meter off VCMWD’s 6” line currently being studied at our cost by VCMWD, transferring peaks from RPMWC TO TY, and

*CWA Flow
Capacity Increase*

*No. County ESP
Project*

lastly, water scheduling). GM Meyer noted that in either case, Municipal Finance rates were beginning to rise and that we still need to operate with a Forebay station which needs refurbishing and our existing pumps being reliable to use with existing flows and avert any outage due to pump failure during peak demands.

Municipal Finance Info

Following discussion Board authorized staff to pursue the cost of \$1.5 million-dollar financing loan through Municipal Finance for Forebay efficiency up-grade and report at our next meeting along with discussion results with CWA on the North County Emergency Storage Project.

New GM Search

General Manager Meyer reported the brochures for the General Manager search are out on the street and applications are already coming in. The deadline for receiving applications is January 13, 2017. Bob Murray will spend the following two weeks doing preliminary interviewing screening. Yuima should be receiving recommendations by the first or second week of February.

Finance & Administrative Services Report

Manager Reeh reported that staff was really taxed this past week due to our accounting and billing system being down for an entire week. Due to the seriousness of the financial system failure the system upgrade has become her top priority. She also reported that the audit is scheduled to be presented in January and that the Cost of Service Study is in the final stages and should be available for presentation in January as well.

IV. OTHER BUSINESS


Item V Other Business

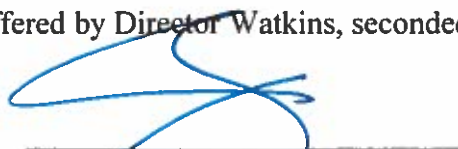
No other business was presented.

V. ADJOURNMENT

Item VI Adjournment

There being no further business to come before the board the meeting was adjourned at 4:52 p.m. upon motion being offered by Director Watkins, seconded by Director Yasutake and carried unanimously.


W.D. "Bill" Knutson, President


Terry Yasutake, Secretary