

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
February 27, 2017**

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 February, 2017.

Regular Meeting
2/27/17

1. ROLL CALL – DETERMINATION OF QUORUM

President Knutson called the meeting to order at 2:05 p.m.

Call to Order
2:05 pm

Directors Present:

Present: 5

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

Quorum Present

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

Absent: 0

Directors Absent:

None

Others Present:

Others Present

Susan Collins Meyer, Interim General Manager
Amy Reeh, Finance Manager
Allen Simon, Operations Foreman
Jeff Scott, District Counsel
Thomas Shoots, Captain Cal Fire
Oggie Watson, TY Nursery
Nancy Correa, Attorney representing Bar 2 Ranch
Henry Rodriguez, Bar 2 Ranch
Jane Carson, Trustee, Bar 2 Ranch
Daren House, H & H
Bobby Graziano, Rancho Estates, MWC
Doug Anderson, Water Mtn. Ranch
Tommy Hayes

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

No speaker requests were received and no other indication to speak was offered by members of the public present.

Public Comment

I. CONSENT CALENDAR

No items were pulled from the consent calendar. Upon motion being offered by Director Watkins, seconded by Director Simpson, Items I-1 through I-5 on the Consent Calendar were approved by the following roll-call vote, to wit:

Consent Calendar

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

II. SPECIAL REPORTS

1. Joint Powers Fire Report

Captain Thomas Shoots reviewed the Cal Fire written report, noting that they had 43 responses and 74% of their calls in January were from medical aid resulting from traffic collisions; many of which had to do with the wet weather.

Special Report (Cal Fire)

III PUBLIC HEARING SCHEDULES

1. Resolution Giving Notice for Public Hearing for the Fire Mitigation Fee Multi-Year Facilities and Equipment Plan for the Yuima, Pauma and Mootamai Municipal Water District

Res. No.1716-17
Fire Mitigation
Public Hearing Set
3/27/17 @ 2:15
p.m.

was adopted upon motion being offered by Director Watkins, seconded by Director Simpson and carried, Resolution No. 1716-17 was adopted by the following roll-call vote:

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

and

2. Resolution Setting Forth the Time and Place of Hearing and Giving Notice of Hearing for Proposed Ordinance Fixing Compensation of Directors

Res. No. 1717-17
Director
Compensation
Hearing Set for
3/27/17 @2:15
p.m.

was adopted upon motion being offered by Director Watkins, seconded by Director Simpson and carried, Resolution No. 1717-17 was adopted by the following roll-call vote:

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

IV. ACTION/DISCUSSION

1. Manager Meyer updated the board on the progress of reaching an agreement with Rancho Corrido RV Park. She indicated that she and Counsel Scott had participated in a teleconference with Owner Eggleston's Attorneys from BB&K and some initial terms were discussed for preparation of proposed agreement. Nancy Correa, Attorney for Bar 2 Ranch being in attendance requested that they be kept informed of the progress. That Bar 2 wanted to be sure and protect their other commitments to sell water. Manager Meyer reviewed some of her comments to the

Up-date on Rancho
Corrido RV Park
Annexation
(review of terms
for off-set
requirements)

initial terms being discussed and correspondence received from the State Water Resources Control Board. District Counsel Scott said that Rancho Corrido's owner and their attorneys would be addressing their concerns upfront in order to even enter into an agreement with Yuima given the current deed restrictions.

Proposed
Resolution
Annexing PV
Water Company
tabled until water
offset agreements
made

2. Manager Meyer reported that she had talked with Mike Perricone, Project Manager for the DAC grants for the annexation of the Pauma Valley Water Company, and his board has approved some initial principles for working out an agreement for the exchange of water for the required off-set for new demand, for the sale of additional water to Yuima with actual details yet to be determined. They are also willing to join the agricultural properties to the domestic properties in the annexation to better define the boundaries, thereby curing the "island" problem as long as a deferral of the per acre annexation charge can be accomplished with Yuima, CWA and MWD. Following further discussion, and upon motion being offered by Director Watkins, seconded by Director Simpson and carried, the proposal for concurrent annexation to Yuima, CWA & MWD was again tabled pending the reaching of an agreement by the following roll-call vote:

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

Note: Director Yasutake left the meeting at 2:27 o'clock p.m.

3. Manager Meyer reviewed the requested Encroachment Permit No. 2017-1 presented with the proposed resolution on behalf of TY Nursery. She said the request was made in order for TY Nursery to install a pipeline along our 16" Parallel line as well as within some open space easement owned by the PC Country Club in order to deliver water from his non-contiguous Parcel 130-010-17 along HWY 76 to his Parcel 132-090-23. She said that TY Nursery had discussed this with the Pauma Valley Community Services District and she had also talked with Mindy Houser and they were agreeable to this arrangement.

Res. No. 1718-17
TY Nursery
Encroachment
Permit No. 2017-1
approved

Following further discussion, Resolution No. 1718-17 entitled,

Resolution Approving Encroachment Permit No. 2017-1

Was adopted upon motion being offered by Director Watkins, seconded by Director Simson by the following roll-call vote:

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

Note: Director Yasutake re-entered the meeting 2:38 o'clock p.m.

4. Manager Meyer reported that Engineer Steve Andrews would be available for a teleconference with us should we have any questions on the Well No. 51 & 52 pilot hole bids. She distributed Engineer Andrews Technical Memorandum dated February 23, 2017 which was reviewed by the board. Following discussion, it was agreed to direct Engineer Andrews to rewrite documents for single bids on the pilot holes; and adopt Resolution No. 1719-17 entitled

Resolution Rejecting All Bids for the Construction of Pilot Holes for Well No. 51 & 52 Improvements (IDA)

motion was so offered by Director Simpson, seconded by Director Villalobos and carried by the following roll-call vote:

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

5. Manager Reeh submitted a staff report on the Fair and Accurate Credit Transaction Act and Red Flag Rules indicating no incidents occurred during the year and noted that staff does yearly training and review of our written policy. Following motion offered by Director Yasutake, seconded by Director Knutson, the board received the report by the following roll-call vote:

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

Director Knutson reported on the nominations received from various districts requesting concurrence in their nomination for membership to the ACWA/JPIA Executive Committee. Following discussion

Res. No. 1719-17
Rejecting All Bids
Pilot Holes Well
#51 & #52

FACTA & Red
Flag Rules
Annual Report
Received

Resolution No. 1720-17

- 6. Resolution Concurring in Nomination Paul E. Dorey to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA/JPIA”)

and

Resolution No. 1721-17

- 7. Resolution occurring in Nomination David A. Drake to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA/JPIA”)

and

Resolution No. 1722-17

- 8. Resolution concurring in Nomination Melody A. McDonald to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA/JPIA”)

were adopted upon motion being offered by Director Knutson, seconded by Director Watson and carried by the following roll-call vote, to wit:

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

- 9. Resolution No. 1723-17 Authorizing an Increase in the Commercial Security and Business Loan Agreement with California Bank & Trust for ACH Transactions and Rescinding Resolution No. 1714-17

was adopted upon motion being offered by Director Yasutake, seconded by Director Simpson and carried by the following roll-call vote, to wit:

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

- 10. Resolution No. 1724-17 Up-dating the Policy for Use of Cellular Phones and Wireless Devices (Safety)

was adopted upon motion being offered by Director Watkins, seconded by Director Yasutake and carried by the following roll-call vote, to wit:

Res. No. 1720-17
 ACWA/JPIA
 Paul Dorey
 Nomination

Res. No. 1721-17
 ACWA/JPIA
 David Drake
 Nomination

Res. No. 1722-17
 ACWA/JPIA
 Melody McDonald
 Nomination

Res. No. 1723-17
 Authorizing
 Increase in
 Commercial
 Security for ACH
 Transactions

Res. No. 1724-17
 Up-dating Policy
 on Cell phones

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

11. Resolution No. 1725-17 Amending the Employee Manual – Section 34-1
– Oath of Office

was adopted upon motion being offered by Director Simpson, seconded by Director Yasutake and carried by the following roll-call vote, to wit:

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

Res. No. 1725-17
Deleting Oath of
Office from
Employee Manual

V. ACTION/DISCUSSION

1. Board Reports/Meetings

President Knutson reported on a claim arising out of the Oroville Dam spill that flooded and poured debris into the channel damaging the power plant that is insured by ACWA/JPIA. Just one generator costs \$37 million. He also reported that it looks like the Worker's Compensation rate will likely stay the same when they meet next month and we should be getting a refund (estimated to be around \$20,000) due to our group experience in Worker's Compensation claims being down last year.

INFO.
REPORTS

Director Watkins stated that there was not much more to add to that reported in the packet on the "Authority meeting held last week.

Director Watkins up-dated on the board his recent discussion with Gary Arant of Valley Center and Bob Yamada at CWA regarding depreciation expense as proposed in the second draft of Principles of Understanding currently being reviewed on the NCESP. He also reviewed our discussions with Engineer Andrews and Valley Center's engineer, Wally Grabbe, on capacity and friction loss issues. He said that we encounter this loss as a result of delivering water through the emergency service connection while at the same time delivering water at full flows from our current connection at a location before it reaches our McNally Tanks. The engineers are presently working out the details to address this capacity issue.

ACWA/JPIA

CWA

NCESP
Operational Use

Director Watkins reported that our attorney, as well as others, is reviewing the third draft MOU that will be signed with the County. It will basically leave GSA's in place, but on hold. The County will be the lead and will carry the costs, estimated to be

around \$2 million for the plan phase. Once the plan is complete we will activate all GSA's local interest and they will form the JPA for going forward. He reported that the MOU they are working out with the County had much discussion over the recommendation that there be "consensus" and that if the County does not agree with the "consensus" of the group that they respond to us in writing. The question, of course, is what constitutes "consensus"? If it means unanimous, then it is likely the County couldn't accomplish much and the issue of indemnity and liability then came up. If the group had the weight of the decision making, then the County shouldn't assume most of the liability.

GSA

2. Administrative

The Administrative Report was reviewed by Manager Meyer as well as well as production, well levels and district water purchased reports. Discussion was held on the deletion of the position of Operations Manager and distribution of some of those duties to field and office personnel as well as creation of an entry level position. Manager was instructed to bring this matter back to the board at our next meeting.

3. Capital Improvement Program

Manager Meyer reported that Superior Tank had given us an estimate on repairs from bare minimum to full rehabilitation. It is anticipated that while the tank is out of service due to low demand that minor repairs on the inside will be made. She noted that all other items were either addressed in the Operations Report or on other Items listed on the agenda.

Administrative Rpt.

4. Operations

The Operations Report was distributed to members of the board. Manager Meyer reported that we were unable to prepare an operations report in time for inclusion with the board packet. She said that Allen Simon would be attending our board meetings to report and answer questions relative to district operations. Operations Foreman, Simon, distributed the operations report to members of the board highlighting the flood damaged sites and fielding questions from board members as well as those in attendance regarding well levels and creek flows.

Capital Program

5. Counsel

Counsel Scott reported that all members of the board are now required to take sexual harassment prevention training as well as ethic training. Manager Meyer said that she had enrolled all member in the CWA provided training in March and recently

Operations Rpt.

ACWA/JPIA also announced that they are now providing an on-line course.

6. Finance & Administrative Services

Manager Reeh reported that she will schedule a meeting of the board to discuss the “three-factor formula” and possible changes for the distribution of the cost allocation for the Administrative and Operating Expenses between the General District and the Improvement District “A”. She indicated that this needs to be addressed as soon as possible to provide her the necessary information to factor into the budget for next year when working out rates using our new rate model.

Counsel Rpt.

Manager Reeh also noted that Travis Parker from Parker PC was called to fix our computer over the weekend after we were unable to upload our information for the board meeting to our website. He indicated that it was most likely a robot looking for weakness in systems and found ours. Travis recommended that we install an inexpensive security program that would prevent this in the future. She further stated that we are now on a “list” with Accela to begin the conversion since the licenses have been obtained and the operating system has been installed.

Finance & Admin. Services Rpt.

Directors were again reminded to go on-line and file their Form 700 Conflict of Interest Statements before April 1st 2017.

VI. CLOSED SESSION

President Knutson called a closed session at 3:40 o'clock p.m pursuant to Government Code Section 54956.9(d)(4) – (one case) Conference with Legal Counsel Consideration of Initiation (one case) and Personnel Matters Pursuant to Government Code Section 54957(b)-to consider appointment or employment of a public employee (General Manager).

The meeting was reconvened at 5:16 o'clock p.m. President Knutson announced that Counsel was directed to take appropriate action on potential litigation and new General Manager's position.

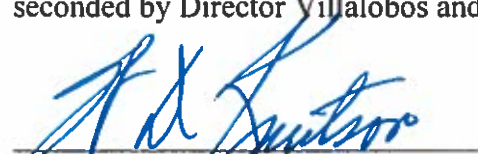
VII. OTHER BUSINESS

Closed Session

Director Villalobos reported that she would be out of the Country from May 2nd, 2017 until May 30th, 2017. Manager Meyer reported that she should be leaving for vacation March 6th or 7th and returning the 20th or 21st. She said she would be available to staff and the board at any time via her cell and would check her emails on a regular basis.

VIII. ADJOURNMENT

There being no further business to come before the board the meeting was adjourned at 5:26 o'clock p.m. upon motion being offered by Director Watkins, seconded by Director Villalobos and carried unanimously.



W.D. "Bill" Knutson, President



Terry Yasutake, Secretary

Other Business

Adjournment