

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
April 28, 2014**

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 28th day of April, 2014.

Regular Meeting 4/28/14

1. ROLL CALL – DETERMINATION OF QUORUM

President Knutson called the meeting to order at 2:10 p.m.

**Call to Order
2:10 pm**

Directors Present:

Present: 4

W.D. “Bill” Knutson, President
Ron W. Watkins, Vice-President
Douglas K. Anderson, Director
Mike Fitzsimmons, Director

Directors Absent:

Absent: 1

George Stockton, Secretary/Treasurer

Others Present:

Others Present

Linden A. Burzell, General Manager
Lori A. Johnson, Director of Finance
Todd D. Engstrand, Director of Operations & Engineering
Jeffrey Scott, General Counsel
Arthur Kidman, Special Counsel
Christina Williamson
Daren House
Roland Simpson
Tony Bolado
Tony Cinquini
Lynnne Villalobos

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

Quorum 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.

4. Public Comments

President Knutson opened the public comment period, noting that comments regarding specific agenda items would be taken up when those items are being considered. Daren House presented a note indicating that when he referred to a “secret meeting” in a previous meeting, he was mistaken.

Public Comments

I. CONSENT CALENDAR

Vice President Watkins moved approval of the Consent Calendar, consisting of the *Approval of the Minutes of the Regular meeting of March 24, 2014 and the Special Meeting of April 16, 2014; Approval of Accounts Paid & Payable and Reporting under Government Code §53065.5 for March 2014; Acceptance of the Monthly Financial Reports (March, 2014 Treasurers Report and Cash Statement; Res. No. 1550-14 Adopting an Annual Statement of Investment Policy and Rescinding Resolution No. 1473.1-13; and Resolution No.1551-14 Authorizing Checking, Savings and Investment Accounts with Various Financial Institutions and Broker/Dealers (Finance 500 Inc. and RBC Capital Markets, LLC)*. The motion was seconded by Director Anderson and approved by the following roll-call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

Consent Calendar
Approved

Regular Meeting
Minutes for 3/24/14
Special Meeting
Minutes for 4/16/14

March
Paid/Payables
Financial Reports

Res #1550-14
Investment Policy

Res #1551-14 Auth.
Checking/Savings
Investment
accounts Finance
500 & RBC Capital
Markets, LLC

II. SPECIAL REPORTS

Chief Williamson directed the meetings attention to the Call Volume summary for March. She also reported that there was no Amador season this year; because of the extended drought, the end of the fire season was never declared. The Rincon Station is on a list of stations to be re-built, possibly within the next two years. The Chief made a short presentation on behalf of the District for the Indian

CAL FIRE

Chief Williamson

Gaming grant that would be used to purchase new “jaw of life” extraction equipment. A decision is expected by May 7th.

III. ACTION/DISCUSSION

1. Public Hearing on Proposed Schedule of Water Availability Charges

President Knutson called the hearing to order at 2:43 p.m. There being no members of the public present and wishing to speak, the hearing was closed at 2:46 p.m.

1-A. Proposed Ordinance Fixing a Water Availability Charge

Upon a motion by Director Fitzsimmons, seconded by Director Watkins, Ordinance No. 116-14 *Fixing a Water Availability Charge for the District (2014/15)* was approved by the following roll-call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

2. Proposed Resolution Levying a Special Fire Tax (Fire Protection) for the Fiscal Year 2014/15 (Amador)

Upon a motion by Director Anderson, seconded by Director Fitzsimmons, Resolution No. 1552-14 *Levying a Special Fire Tax (Fire Protection) for the Fiscal Year 2014/15 (Amador)* was approved by the following roll call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

3. Proposed Resolution Approving Change Order No. 1 & 2 for the 1.2 MG Welded Steel Zone 4 Tank Project (Paso Robles Tank, Inc.)

Upon a motion by Director Anderson, seconded by Director Fitzsimmons, Resolution No. 1553-14 *Approving Change Order No. 1 & 2 for the*

**Public Hearing:
Water
Availability
No testimony**

**Ord. No. 116-14
Water
Availability**

**Res. No. 1552-14
Amador Fire Tax**

**Res. No. 1553-14
Zone 4 Tank
Change Orders 1
& 2**

1.2 MG Welded Steel Zone 4 Tank Project (Paso Robles Tank, Inc.) was approved by the following roll-call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

4. Proposed Resolution Approving Change Order No. 1 & 2 Bid Item 11 – Air Development in the amount of \$4,800 and Bid Item 14 Destruction of PV3 in the amount of \$10,000, for Schoepe \ Replacement Well PV3R (Fain Drilling and Pump Company)

**Res. 1554-14
PV3 Change
orders 1 & 2**

Upon a motion by Director Watkins, seconded by Director Fitzsimmons, Resolution No. 1554-14 *Approving Change Order No. 1 & 2 Bid Item 11 – Air Development in the amount of \$4,800 and Bid Item 14 Destruction of PV3 in the amount of \$10,000, For Schoepe Replacement Well PV3R (Fain Drilling and Pump Company)* was approved by the following single roll-call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

5. Proposed Resolution Accepting the Project Known as Construction of Well No. PV3 Emergency Replacement Pilot Hole and Cased Well (Fain Drilling and Pump Company, Inc.)

**Res. 1555-14
Accepting PV3
Well (Fain)**

After discussion and upon a motion by Director Fitzsimmons, seconded by Director Anderson, Resolution No. 1555-14 *Accepting the Project Known as Construction of Well No. PV3 Emergency Replacement Pilot Hole and Cased Well (Fain Drilling and Pump Company, Inc.)* was approved by the following roll call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

6. Consider Extending the Audit Contract with the Current Auditors, Teaman Ramirez & Smith, CPAs for an Additional Two Years

Extend Teaman, Ramirez, & Smith audit contract for 2 yrs.

After discussion and upon a motion by Director Fitzsimmons, seconded by Director Anderson, the board approved extending the Audit Contract with Teaman, Ramirez and Smith for an additional two years, upon the following roll call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

7. Proposed Resolution Amending the Rules and Regulations Governing Water Service Section No. 19 Supply Conveyance and Exchange Policy (Wheeling Policy and Rates)

**Res. 1556-14
Wheeling Policy
and Rates**

After discussion and upon a motion by Director Fitzsimmons, seconded by Director Anderson, proposed Resolution No. 1556-14 *Amending the Rules and Regulations Governing Water Service Section No. 19 Supply Conveyance and Exchange Policy (Wheeling Policy and Rates)* upon the following roll call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

8. Discussion and Possible Action Regarding the Allocation of Legal Fees to Improvement District A (“IDA”) as a Result of the Lawsuit Filed by the Rancho Pauma Mutual Water Company Against Yuima

**Allocation of
Legal Fees to IDA
(RPMWC v.
Yuima) (tabled)**

After discussion and following public comments by Tony Cinquini in opposition to IDA bearing a portion of the cost of the lawsuit, a decision on the matter was postponed to a later date to allow staff additional time to present the information.

9. Proposed Resolution Setting Forth the Time and Place of Hearing and Giving Notice of Hearing for a Water Rate Increase

**Res. 1557-14
Setting hearing
for water rate
increase**

After discussion and upon a motion by Director Fitzsimmons, seconded

by Director Watkins, Resolution No. 1557-14 *Setting Forth the Time and Place of Hearing and Giving Notice of Hearing for a Water Rate Increase* was approved by the following roll call vote, to wit:

AYES: Fitzsimmons, Watkins, Anderson, Knutson
NOES: None
ABSTAIN: None
ABSENT: Stockton

IV. INFORMATION/REPORTS

IV-1. Board Reports/Meetings

- President Knutson reported that he will be attending the Association of California Water Agencies convention the following week. He also reported that the former Executive Director of JPIA has retired.
- Director Watkins reported that the second phase of the Water Authority/ Met rate case will begin next month, now that the judge has rendered an opinion favorable to the Water Authority in Phase 1.

Board Reports

**Knutson –
ACWA/JPIA**

Watkins – SDCWA

IV-2. Administrative Report

Manager Burzell called the board’s attention to his written Administrative report. There were no questions.

**Administrative
Report**

IV-3. Capital Improvement Program

Manager Burzell called the board’s attention to the Capital Improvement Program reports. There were no questions.

**Capital
Improvements**

IV-4. Operations Report

President Knutson asked staff when new Horizontal Well No. 43 would be on line. Director of Operations Engstrand indicated that the laboratory was performing Title 22 testing of the water and once the results are complete, District crews will tie-in the 2-inch HDPE highline. The well should be in service by the end of May.

**Operations &
Engineering Report**

Vice President Watkins inquired about the well head pressure at HW No. 48. Staff reported the current well head pressure was 60 psi.

President Knutson wanted to know when the new Zone 4 Tank would be filled. Director of Operations Engstrand said based on the contractors' schedule the tank would be filled during the week of May 4th.

IV-5. Counsel's Report.

Counsel Scott reported on AB 194 (Campo), which states that if the public is not afforded the opportunity to speak on any matter, any board action taken with respect to that matter can be invalidated by a court. The balance of Counsel's report was reserved for Closed Session.

Counsel's Report

IV-6. Finance Report

Director of Finance Johnson reviewed the delinquent account report noting all customer accounts have been paid current. The only delinquent account on the books is the VO Power billing in the amount of \$3,689.53. She reviewed the Water Availability Deferral report noting that there are 26 parcels with approved deferrals.

Finance Reports

The 9 month budget report was reviewed noting that the General District is at 97% of projected sales, 118% of budget for purchased imported water from CWA and at only 68% of projected local water production in the General District due to the loss of VO local supply. Improvement District A is 80% of projected sales; 91% of budget for purchased imported water and 61% of projected production of local water due to water quality and quantity in the wells. The increased cost of the imported water supply over projected and the additional legal fees for the RPMWC lawsuit have negatively impacted the net margin for the 9 month period.

**CLOSED SESSION: Conference with Legal Counsel – Existing
Litigation pursuant to Government Code Section 54956.9(a)
Name of Case: Strub v. Palomar Mutual Water Company – San Diego
County Superior Court Case No. 162650**

Closed Session

Enter: 3:30 pm

Exit: 4:26 pm

The Board entered closed session at 3:30 p.m. and resumed deliberation in open session at 4:26 p.m.

REPORT AFTER CLOSED SESSION

The Board directed Staff and Counsel to take appropriate action with respect to the existing case named.

VI. ADJOURNMENT

There being no further business to come before the board and upon a motion to adjourn the meeting offered by Director Fitzsimmons, seconded by Director Anderson and carried unanimously, the meeting was adjourned at 4:29 p.m. to Tuesday, May 27, 2014 at 2:00 pm.

Adjourn @ 4:29 p.m.

Meeting adjourned to May 27th at 2 p.m.

Signature on file at District Office.

Douglas K. Anderson, Acting Secretary

ATTEST:

Signature on file at District Office.

W.D. "Bill" Knutson, President