

**MINUTES OF THE SPECIAL MEETING (BOARD WORKSHOP)**  
**OF THE BOARD OF DIRECTORS OF**  
**YUIMA MUNICIPAL WATER DISTRICT**  
**June 23, 2014**

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 23<sup>rd</sup> day of June, 2014.

**Special Meeting  
(Board  
Workshop)  
06/23/14**

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

**Call to Order**

President Knutson called the meeting to order at 12:15 p.m.

Directors Present:

**Present: 5**

W.D. “Bill” Knutson, President  
Ron Watkins, Vice-President  
George Stockton, Secretary/Treasurer  
Mike Fitzsimmons  
Doug Anderson

Directors Absent:

**Absent: 0  
None**

None

Others Present:

**Others Present**

Linden A. Burzell, General Manager  
Lori A. Johnson, Director of Finance  
Todd D. Engstrand, Director of Operations & Engineering  
Vanessa Velasquez, Accountant  
Jeremy Jungreis, Rutan and Tucker  
Roland Simpson  
Daren House  
Lynne Villalobos

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

**Quorum  
Present**

**2. PLEDGE OF ALLEGIANCE**

President Knutson led the group in the Pledge of Allegiance.

**3. APPROVAL OF AGENDA**

There were no additions to the agenda.

#### 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. Jeremy Jungreis, Counsel for Rancho Pauma Mutual Water Company, cautioned the District that they should not consider the water service agreements as a way to not comply with the Strub judgment and asked about the potential of using recycled water for certain District needs. Lynne Villalobos inquired as to the process to recall the board of trustees. She stated that this is the highest paid water district for the least amount of meters. She feels something needs to be done. Daren House stated he agreed 100% with her statements. Roland Simpson stated his concerns not being able to discuss agenda items during the board's deliberation.

**Public  
Comments:**

**J. Jungreis**

**L. Villalobos**

**R. Simpson**

#### I. ACTION/DISCUSSION

##### 1. Budget Workshop – Rates & Charges

The board discussed staff recommendations concerning the proposed schedule of rates, rentals, fees, deposits and charges. Staff presented proposed changes to the Rules and Regulation Governing Water Service that reflect increases in reimbursement to the District for: service hourly rates; equipment rental; meter installations; turn-off/turn-on fees; meter charges and water quantity charges. Director of Finance Johnson stated these changes are a result of increases cost to the District and are incorporated into the 2014-15 proposed budget.

**Budget  
Workshop:  
Rates &  
Charges**

##### 2. Budget Workshop: Water Service and Management Contracts, Recordkeeping and Secretarial Services and Emergency and Support Services Agreements

After reviewing the proposed draft support services agreements with Lazy H Mutual Water Company, the Mootamai Mutual Water District, the Upper San Luis Rey Watershed Authority, the Pauma Valley Mutual Water Company and the Rancho Estates Mutual Water Company, staff noted that there were no changes to the agreement language from the prior year just adjustment in the rates as a pass through of District cost. The draft agreements were forwarded as presented by staff for final consideration by the board at its Regular Meeting to follow the Budget

**Budget  
Workshop:  
Support  
Services  
Agreements**

**No changes  
proposed to  
agreement  
language.  
Pass through of  
District cost for  
services  
requested**

Workshop at 2:00 pm of even date.

3. Budget Workshop: Review of the proposed 2014-2015 Preliminary Budget

Director of Finance Johnson reviewed the operating budget projections noting that the 2014-2015 draft preliminary budget is a \$10.5 million combined operating budget, which is a 7% increase from the prior year projected actual. The operating budget reflects a 7.3% deficit totaling \$776,900 and incorporates the loss of local water sources and drought related reduced safe yields from the District's local wells, which together have increased the District requirement for purchases of imported water. She stated the 67% of the expenditures projected in the budget is for purchased water and power cost. She stated that the \$10.5 million budget is the largest ever presented for adoption as well as the highest projected sales due to the drought. The budget reflects a 7% increase in monthly meter charges and a 7% increase in the commodity rates as well as a projected 15% increase in commodity rates in January. A \$0.54 million dollar combined capital improvement budget was also presented. After detailed review and presentations by Director of Finance Johnson, the board made no modifications to the staff recommendations to be considered at the Regular Meeting that is to follow the Budget Workshop at 2:00 pm of even date.

**II. OTHER BUSINESS**

No other business was brought before the board.

Other Business

None

**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 Watkins and carried unanimously, the meeting was adjourned at 1:30 p.m. to 2:00 pm, at which time the board will reconvene as a regular meeting.

Adjourned @  
1:30 p.m.

ATTEST:

Signature on file at District Office.  
George Stockton, Secretary

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Signature on file at District Office.  
W.D. "Bill" Knutson, President