

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
December 28, 2015**

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 28th day of December, 2015.

**Special Meeting
12/28/15**

1. ROLL CALL – DETERMINATION OF QUORUM

**Call to Order
12:00 pm**

President Knutson called the meeting to order at 12:00 p.m. A quorum was present.

Directors Present:

Present: 5

W.D. "Bill" Knutson, President
Ron Watkins, Vice-President
Terry Yasutake, Secretary/Treasurer
Mike Fitzsimmons, Director
Laney Villalobos, Director

Directors Absent:

Absent: 0

None

Others Present:

Others Present

Lori A. Johnson, General Manager
Todd Engstrand, Operations Manager
Jesse Hutchings
Bobby Graziano
Daren House
Roland Simpson

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

Quorum Present

3. APPROVAL OF AGENDA

There were no amendments to the agenda.

Approval of Agenda

4. PUBLIC COMMENT

There were no comments from the public.

Public
Comments:

none

I. ACTION/DISCUSSION

1. Planning Workshop: Master Plan Update Working Session

Manager Johnson stated that staff is working on the master plan document. This document is the planning and action guide for the next 5 fiscal years. The plan focuses on the major planning, operations, financial and capital project objectives that must be achieved to ensure that the District can continue to provide high-quality, reliable supplies of water to its customers in adequate quantities and at a reasonable cost. The information presented and feedback from the Board included the following:

Planning
Workshop

- Communication & Transparency. (current posting on web page is good adding monthly General Managers update)
- Staffing and succession planning. It is projected that there will be 6 retirements in the next 7 years resulting in 66% of staff leaving with 161 collective years of experience, knowledge and background of the District. A suggested succession plan of hiring prior to these retirements was reviewed.
- Wage & Benefit Cost to total expenditures. It was shown that the percentage varies year to year due to total expenditures moving up and down depending on purchases from CWA relating to varying agricultural sales which are weather dependent. Current percentage of wage & benefits to budgeted expenditures are at 12.6% which is well below the 24% actual 10 year average and the lowest since before 2005.
- GASB 68 Implementation – Net Pension Liability. Manager Johnson stated that the District was required to implement Government Account Standard Board (GASB) 68 for fiscal year ending 2015. This standard records the unfunded accrued liability (UAL) of the District's pension plan. The District's UAL is \$2,120,073 and is paid at \$21,518 per month projected to be paid off in 8.4 years. She explained that the normal PERS cost is 11.718% of payroll and is paid each pay period thus avoiding any further UAL. At June 30th, the District's pension plan is funded at 67.1%. Director Watkins stated for a small District that is a very good funding level.
- Reserve Fund Balances. Manager Johnson stated that at June 30, 2015 the District's combined Reserve Fund Balance was \$2,404,062. The required GASB 68 entry of \$2,120,073 is booked against the fund balance leaving \$283,989 unreserved.
- System Capacity Limitations. Manager Johnson reviewed the

limitations at the Forebay Station stating that the pipeline from the CWA connection to Forebay was designed to be 24" to get the full 20 cfs capacity. As a cost saving measure in 1963 the design size was decreased to 20" limiting the District's maximum csf to 15.6. The Board was asked if the District should explore upsizing the line to increase flows from CWA? She also discussed the Groundwater Sustainability Act and timeline for implementation which may result in limitation or curtailment of local groundwater availability.

- Capacity Charges. Manager Johnson stated that the District should consider a study to examine the capacity charges to be sure they represent a reasonable nexus to the costs incurred by the District on behalf of future customers and the benefits received. That the current charge methodology is consistent with standards established in AWWA, meets board policies, and adheres to applicable legal requirements, and that the charge is designed to recover a proportionate share of future capacity related capital expenditures required to provide service to new connections in the District's service area. She stated that capacity charge components should take into consideration that the charge not only recover the costs of future improvements, but account for capacity availability within the existing system funded by existing customers.
- Pipeline Condition Assessment. Manager Johnson stated that the District's main line, consisting of 20" to 18" welded steel pipelines, have been in service for 53 years. The Board may want to consider a condition assessment program for the District's pipelines to develop the data needed to prioritize and schedule pipeline replacements and maintain a reliable transmission and distribution system.
- Cathodic Protection Systems. It was stated that cathodic protection of metallic facilities reduces deterioration from corrosion. The District maintains cathodic protection on its welded steel tanks. The Board may want to study the benefit of deep well anodes for added pipeline longevity.
- Future Known Projects. Manager Johnson reviewed a few known projects in the works. 1) the Roundabout construction on Highway 76 and Valley Center Road which will include the realignment of the District's mainline. 2) the Rincon Ranch CSD road overlay project in 2017. The District may want to consider timing the replacement of the 8" Rincon Ranch Road Pipeline prior to the paving of the roadway. 3) November 2016 – May, 2017 Forebay Station Renovation, including the 54 year old pump station.
- Pipeline Replacements. A listing of sections of the IDA system was reviewed which included the Rincon Ranch Road 8" Pipeline, Rincado Road 8" Pipeline and the Kahlstrom 12"

- pipeline replacements.
- Pending or in Progress items. Manager Johnson reviewed the following items that need to be addressed:
 1. Updates to the District's Urban Water Management Plan
 2. Updates the District's Master Plan
 3. Implementation of Senate Bill X7 7- to Achieve 20% reduction in urban per capita water use by 2020.
 4. Determine what level of participation the District will have in the Groundwater Management Agency planning under the Sustainable Groundwater Management Act (SGMA)
 5. Determine a timing schedule for the District's software conversion.
- IDA Well Agreements. Manager Johnson reviewed the 2009 Zone of Influence Study and the moratorium on IDA well agreements that the Board instituted in 2009.
- Major Field Equipment Replacements. Manager Johnson reviewed the repair costs to the District's 1990 580 Case Backhoe and possible consideration for a replacement in 2016-17.
- Potential Future Service Agreements. Manager Johnson reviewed some potential future service agreements that may have an impact on staffing.
- Ag Conservation Program. Potential Proposition 1 grant funds were discussed along with the timeline for the grant application.
- CWA Water Rate Projections and Yuima General District rate projections were reviewed.

Bobby Graziano asked Manager Johnson how involved does she believe Yuima should be in the Groundwater Management Agency and, how important does she believe it is to Yuima? Manager Johnson stated that it is very important to this District and believes Yuima should have an active role and input into the formation and development of the eventual Groundwater Management Plan.

Director Watkins stated that the State Water Resources Control Board has identified three sections of the San Luis Rey Basin, the upper, mid and lower basin.

In order to begin the regular Board meeting on time and not rush through the remaining topics, Director Watkins suggested that the workshop be continued prior to the next meeting in January.

II. OTHER BUSINESS

None

No other
business

III. ADJOURNMENT

There being no further business to come before the board, President Knutson declared the meeting adjourned at 1:56 p.m.

Adjournment
1:56 pm



Terry Yasutake, Secretary

ATTEST:



W.D. "Bill" Knutson, President