

**MINUTES OF THE SPECIAL MEETING
(BOARD WORKSHOP)
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
Monday, May 23, 2016**

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 23rd day of May, 2016.

**Special Meeting
(Board Workshop)
5/23/16**

1. ROLL CALL – DETERMINATION OF QUORUM

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

**Call to Order
12:15 pm**

Directors Present:

Present 5

W.D. “Bill” Knutson, President
Ron W. Watkins, Vice-President
Terry Yasutake, Secretary/Treasurer
Laney Villalobos, Director
Roland Simpson, Director

Directors Absent:

Absent: 0

none

Others Present:

Others Present

Lori A. Johnson, General Manager
Amy Reeh, Accountant
Scott Groters
Daren House

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. There were no members of the public present wishing to speak.

Public Comments

1. ACTION/DISCUSSION

1. Review the 2016/17 Proposed Capital Improvement Projects

Manager Johnson requested this item be taken up at the next workshop.

2. Review CWA & MET's Fixed Costs & Direct Pass-through Study

Staff reviewed the increases in the fixed costs that are assessed from the San Diego County Water Authority & MET. Manager Johnson explained that over the last few years the fixed charges assessed upon the District have increased. In FY 2016/17 the fixed charges assessed to this District will increase 48.2% or \$122,906, bringing the total due for this fiscal year to \$407,537. These fees are due to SDCWA whether the District purchases a drop of imported water or not. These are fixed charges levied to the District monthly. The rolling averages increased greatly during the year the District lost the local supply from the VO well contract. With the loss of Well #22 production in the General District, 98% of the water in the General District is being purchased from the expensive imported supply. She stated that over the last two fiscal years the charges were calculated into the meter charge.

Previously the charges were offset by the melded cost of water. Since the District has not adjusted rates to make up for the full cost of the loss of local supply the excess charges have come from the Rate Stabilization Reserve. She explained that there are no reserves left to offset these charges. Staff presented a comprehensive study for the Board to consider a pass through of the fixed charges. One scenario was an allocation based on Demand Factor that passed the SDCWA fixed charges based on meter size. The other scenario was based on volumetric as a direct pass through to each account. Following discussion the Board's direction was to have the fixed charges from SDCWA calculated on a volumetric basis. It was felt that it was the most comprehensive, complete and fair method. Staff was instructed to calculate the fees based on a *Direct Pass Through* with the annual increases or decreases in charges being charged or credited to each account based on their percent of purchases. Manager Johnson stated she will review these charges with General District customers prior to the hearing on June 27th.

3. Review Yuima's Fixed Cost Study & Proposed Meter Charge Changes

Staff reviewed the projected District fixed cost for 2016/17 removing the CWA fixed charges from the calculation. It was noted that the monthly meter charge will decrease approximately 9% to stay at a 30% fixed cost recovery. The final calculations and the actual percent of decrease will be presented at the workshop on June 27th.

II. OTHER BUSINESS

No other business was brought before the Board.

III. ADJOURNMENT

There being no further business to come before the board and upon a motion to adjourn the meeting offered by Director Watkins, seconded by Director Yasutake and carried unanimously, the meeting was adjourned at 2:03 p.m.



Terry Yasutake, Secretary

ATTEST:



W.D. "Bill" Knutson, President

Other Business:

None

Adjourn @
2:03 p.m.