

**MINUTES OF THE SPECIAL MEETING
(BOARD WORKSHOP)
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
Monday, February 27, 2017**

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 27th day of February, 2017.

**Special Meeting
(Board Workshop)
2/27/2017**

1. ROLL CALL – DETERMINATION OF QUORUM

President Knutson called the meeting to order at 12:17 o'clock p.m.

**Call to Order
12:17 pm**

Directors Present:

Quorum Present

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

Directors Absent:

Absent: 0

None

Others Present:

Others Present

Susan Meyer, General Manager
Amy Reeh, Finance Manager
Jeff Scott, District Counsel
Habib Isaac, Raftelis Financial Consultants, Inc
Oggie Watson, TY Nursery
Bobby Graziano, Rancho Estates MWC
Doug Anderson, Water Mtn. Ranch
Tommy Hayes (arrived at 12:30 pm)

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

I. ACTION/DISCUSSION

1. Presentation from Raftelis Financial Consultants, Inc., on the Cost of Service Study.

Habib Isaac, from Raftelis Financial Consultants, Inc., reviewed their financial plan and rate model with members of the board. He addressed key assumptions using a 2015-16 base analysis. He also addressed targets that the board should consider when setting rates in order to recover 90 days reserve for operation, one (1) years of capital costs using a 5 year average and a rate stabilization fund representing 10% of revenues. He also presented a perceived imbalance of the district administrative expenses using what the staff calls the “three factor formula” between the General District and IDA. A growing negative fund balance was noted in Yuima while IDA fund balances are low. Recommendations were made to build up reserves through debt and revenue adjustments especially in the General District.

Raftelis Financial Consultants, Inc.
Cost of Service Study

Following a question and answer period it was agreed to hold another workshop to review the “three factor formula” within the next week or so.

II. OTHER BUSINESS

None

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 Villalobos and carried unanimously, the meeting was adjourned at 1:40 p.m.

Adjourn @
1:40 p.m.



Terry Yasutake, Secretary

ATTEST:



W.D. “Bill” Knutson, President