

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
YUIMA MUNICIPAL WATER DISTRICT
June 23, 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 23rd day of June, 2014.

**Regular Meeting
6/23/14**

1. ROLL CALL – DETERMINATION OF QUORUM

President Knutson called the meeting to order at 2:00 p.m.

**Call to Order
2:00 pm**

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

Others Present:

Others Present

Linden A. Burzell, General Manager
Lori A. Johnson, Director of Finance
Todd D. Engstrand, Director of Operations & Engineering
Jeff Scott, General Counsel
Dave Ross
Roland Simpson
Daren House
Ron Currier
Lynne Villalobos
Alan Fenstermacher

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 posted Agenda were proposed.

Approval of
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. Lynne Villalobos asked about the procedure for calling a special election for the board of trustees and voiced her concerns about the effects of the proposed rate increases on the viability of agriculture. She suggested that further cutbacks in District expenditures be made. Daren House said that he agreed 100 percent with Ms. Villalobos' comments. Roland Simpson said that the rate-payers are passionate about these issues of costs and rates, and asked about the board's reaction to Mr. Cinquini's letter.

Public
Comments:
None of
Consequence

I. CONSENT CALENDAR

Director Watkins moved approval of the Consent Calendar, consisting of the *Approval of the Minutes of the Regular Adjourned Meeting of May 27, 2014 and Special Meeting of June 5, 2014; Approval of Accounts Paid and Payable for May 2014; Acceptance of the Monthly Financial Reports for May 2014 (Treasurer's Report and Cash Statement); Resolution No. 1559-14 Approving Agreement for Water Service and Management Contract for the Lazy H Mutual Water Company and Rescinding Resolution No. 1492-13; Resolution No. 1560-14; Approving Agreement for Record Keeping and Secretarial Services for the Mootamai Municipal Water District and Rescinding Resolution No. 1493-13; Resolution No. 1561-14 Approving Agreement for Record Keeping and Secretarial Services for the Upper San Luis Rey Watershed Authority and Rescinding Resolution No. 1494-13; Resolution No. 1562-14 Approving Agreement for Emergency and Support Services for the Rancho Estates Mutual Water Company and Rescinding Resolution No. 1495-13; Resolution 1563-14 Approving Agreement for Emergency and Support Services for the Pauma Valley Water Company and Rescinding Resolution No. 1496-13; Resolution 1564-14 Authorizing Change to Employer Paid Member Contribution CalPERS #1812; Resolution 1565-14 Amending Employee Manual Sections: 4. Mission Statement,*

Consent Calendar
Approved
Regular Adj Mtg
Minutes for May
27, 2014 & Special
Meeting Minutes
of June 5, 2014
May
Paid/Payables
May Financial
Reports
Res. #1559-14
Lazy H Mgmt.
Res.#1560-14
Mootamai Svcs
Res. # 1561-14
USLRWA Svcs.
Res. # 1562-14
Rancho Estates
Svcs.
Res. #1563-14
PV Water Co.
Svcs.
Res. #1564-14
PERS Contrib.
Change
Res.#1565-14
Amend
Employee
Manual

Vision and Goals; 15-1 Welding Differential Pay; 16-B Employee Pension Plan; 16-E Health Insurance; 16-G Dental Insurance; 16-H Vision Insurance; 16-I Life Insurance; 16-L Self-Improvement Program; 16-O Sick Leave; 16-S (a) Smoking; 17-B Jury Duty; 17-G FMLA Leave; and 33 Pay Range Schedule. The motion was seconded by Director Anderson and approved by the following roll-call vote, to wit:

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

II. SPECIAL REPORTS

None. CalFire was not represented.

III. ACTION/DISCUSSION

1. Public Hearing to Receive Comments and Consider Adoption of the Proposed Schedule of Water Rates and Charges.

President Knutson declared the Public Hearing open at 2:18 pm. There being no members of the public present and wishing to testify, President Knutson declared the Public Hearing closed at 2:20 pm.

1-A. Proposed Resolution Adopting Increases in Water Rates and Charges and Amending Rules and Regulations Governing Water Service (Schedule of Rates, Rentals, Fees, Deposits and Charges) (Sections §2.27; 4.1.1; 8.6.2; 9.1.2;11.3; 11.5; 12.14; 16.1; 16.2; 16.3; 16.3.1; 16.5 & 18.3.6).

Upon a motion by Director Stockton, seconded by Director Fitzsimmons, Resolution 1566-14 Adopting Increases in Water Rates and Charges and Amending Rules and Regulations Governing Water Service (Schedule of Rates, Rentals, Fees, Deposits and Charges) (Sections §2.27; 4.1.1;8.6.2;9.1.2;11.3; 11.5; 12.14; 16.1; 16.2; 16.3; 16.3.1; 16.5 & 18.3.6) was approved by the following roll call vote, to wit:

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

Public
Hearing:
Rates and
Charges

Res # 1566-14
Increase Rates
& Charges

2. Proposed Resolution Adopting the Operating and Capital Budgets for Fiscal Year 2014-2015

President stated that the budget and capital budget were reviewed earlier in the day at the special meeting. After discussion and upon a motion by Director Fitzsimmons, seconded by Director Stockton, Resolution 1567-14 Adopting the Operating and Capital Budgets for Fiscal Year 2014-2015 was approved by the following roll call vote, to wit:

**Res. #1567-14
Adopting
Operating and
Capital
Budgets (FY
2014/15)**

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

3. Proposed Resolution Declaring Surplus Property and Authorizing Disposal (West Mesa Bolted Water Storage Tank and 2009 Ford Edge Vehicle)

After discussion and upon a motion by Director Fitzsimmons, seconded by Director Anderson, Resolution No. 1568-14 Declaring Surplus Property and Authorizing Disposal (West Mesa Bolted Water Storage Tank and 2009 Ford Edge Vehicle) was approved by the following roll call vote, to wit:

**Res. #1568-14
Surplus
Property West
Mesa Tank
and 2009 Ford
Edge**

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

4. & 5. Proposed Resolution Accepting Pump Station, Pipeline and Access Easement from Kenneth A. James (Booster No. 7 Pump Station – APN132-230-10) and Accepting Pump Station, Pipeline and Access Easement from Travis J. Johnson et al. (Booster No. 4 Pump Station AP 132-280-21).

After discussion and upon a motion by Director Watkins, seconded by Director Anderson, Resolution No. 1569-14 and 1570-14 *Accepting Pump Station, Pipeline and Access Easement from Kenneth A. James (Booster No. 7 Pump Station – APN 132-230-10) and Accepting Pump Station, Pipeline and Access Easement from Travis J. Johnson et al. (Booster No. 4 Pump Station AP 132-280-21)* was approved by the following roll call vote, to wit:

**Res. #1569-14
& 1570-14
Boosters 7 & 4
Easements**

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

6. Information and Discussion of California Department of Transportation Intersection and Curve Realignment at State Route 76 and Valley Center Road

No Action

No formal action taken. Director Fitzsimmons will attend the CalTrans informational meeting.

IV. INFORMATION/REPORTS

IV-1. Board Reports/Meetings

- President Knutson reported that ACWA/JPIA continues to grow, with the addition of two new agencies in the Worker's Compensation Program.
- Vice-President Watkins had no report from SDCWA as there was no meeting held prior to this meeting.
- Counsel Scott reported that Assembly Bills 1249 (Salas), 1739 (Dickenson) and 1168 (Pavley) continue to move through the legislature and are believed likely to become law.

Board Reports

Knutson

Counsel Scott

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 inquired about the status of the Zone 4 Tank Project. Director of Operations Engstrand said the new Tank is in service and working well. Staff is working on a few minor clean up issues with the Contractor Paso Robles Tank to complete the punch list items. Vice-President Watkins asked about the installation of another 2” HDPE pipeline for the horizontal wells. Mr. Engstrand replied that the 2” HDPE temporary pipelines give flexibility in alignment and location in order to not conflict with the ongoing drilling operations. President Knutson asked Staff about the status of the Schoepe Well Field. The Schoepe Well Field is currently producing between 150 to 200 gallons per minute which is considerably less than (only 10 to 15 percent) its original production.

Operations &
Engineering
Report

IV-5. Counsel’s Report.

Counsel Scott reserved his comments for Closed Session.

Counsel’s
Report

IV-6. Finance Report

Director of Finance Johnson stated that the District has pulled the meter and filed a lien on one account in Yuima. Also stated that the VO power billing and delinquency charges are still past due in the amount of \$3,874.01.

Finance Reports

Ms. Johnson stated that the audit team from Teaman, Ramirez and Smith spent the first week of June on-site for fieldwork in preparation of the 2013-14 audit. In addition to the fieldwork requests the auditors conducted fraud interviews. They are expected to return the first week in September.

Ms. Johnson stated that the District has filed a restitution request with District Attorney Dumanis’ office for the damages to the District’s Pressure Reducing Valve on Rincon Ranch Road caused by Wes O’Connor on January 3, 2014.

V. OTHER BUSINESS

CLOSED SESSION: Conference with Legal Counsel – Potential Litigation

Closed Session

Existing
Litigation

**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**

The Board entered closed session at 3:14 and emerged from closed session at 3:52 pm.

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 Anderson, seconded by Director Fitzsimmons and carried unanimously, the meeting was adjourned at 3:54 p.m. to Wednesday, July 30th, 2014 at 2:00 pm.

Adjourn @ 3:54 p.m.

**Next meeting:
July 30, 2014**

Signature on file at District Office.

George Stockton, Secretary

ATTEST:

Signature on file at District Office.

W.D. "Bill" Knutson, President