

**Minutes of the Board of Directors  
Ramona Municipal Water District  
Ramona Community Center  
434 Aqua Lane  
Ramona, California 92065  
September 13, 2011  
4:30 p.m.**

**PRESENT**

Bryan Wadlington	President	
Darrell Beck	Vice President	
Red Hager	Secretary	ABSENT
Joe Zenovic	Treasurer	
Kit Kesinger	Director	

**A. Opening of Meeting**

**A.1. Call to Order, Pledge of Allegiance and Moment of Silence**

The Regular Meeting of the Board of Directors of the Ramona Municipal Water District was called to order by President Wadlington at 4:30 p.m., at the Ramona Community Center, 434 Aqua Lane, Ramona, County of San Diego, State of California.

Also present: Ralph McIntosh, General Manager; David Barnum, Assistant General Manager; Sophie Akins, Legal Counsel; Annette Finley, Human Resources Manager; Phillip Dauben, District Civil Engineer; Greg Griswold, Deputy Chief CalFire; Robert McLaughlin, Battalion Chief/CalFire; Saul Villagomez, Battalion Chief/Ramona Fire Marshal; Johnny Brean, Water Operations Superintendent; Jim Anderson, Wastewater Operations Superintendent; Mike Metts, Engineering Consultant, Dudek and Associates Inc., and Sherry McGarry, Administrative Secretary.

President Wadlington led the Board and members of the audience in the Pledge of Allegiance and a moment of silence.

**A.2. Consideration of Non-Agenda Items Which Arose Subsequent to the Posting of the Agenda**

None.

**A.3. Adoption of Agenda for Meeting of Sept. 13, 2011.**

President Wadlington announced changes to the Agenda as follows:

**E.1. Discussion and Possible Action on an Agreement with CalFire to Provide Fire Protection for the Fiscal Year 2011-2012.**

Item moved to the end of the Agenda and will become **F.6.**

**A.5.c.-3 Status Report on the Santa Maria Sewer Service Area Facilities Improvements** will be pulled from tonight's Agenda.

**M/S/C MOTION TO ACCEPT CHANGES TO AGENDA AS STATED.**  
(Zenovic/Kesinger) Approved 4-0-1 Hager absent.

**A.4. Opportunity for Members of the Public to Address the Board on any Subject within its Jurisdiction but not on the Agenda**

Shelley Devlin-Stefanyszyn, Public Information Officer, Ramona CERT [Community Emergency Response Team] approached the Board. On behalf of the CERT team she presented a photograph of the Team to the RMWD Board President Wadlington and Assistant General Manager Barnum in appreciation for the RMWD current, past and future support of the CERT team, materially and monetarily.

**A.5 Announcements and/or Informational Reports from Board and/or Staff**

**A.5.a. General Manager's Report**

General Manager McIntosh commented on the SDG&E power outage in San Diego County, September 8, and expressed his gratitude and appreciation to the RMWD staff in handling the matter, and by doing an excellent job in monitoring the emergency situation.

**A.5.b. Committee Reports**

**A.5.c. Staff Reports**

**A.5.c.-1 Intentionally left blank**

**A.5.c.-2 Status Report on Bargar Water Treatment Plant.**  
Recommendation: None.

No further action.

**A.5.c.-3 Status Report on the Santa Maria Sewer Service Area Facilities Improvements.**  
Recommendation: None.

This item was pulled from the Agenda

**B. Ministerial Items**

**B.1. Consent Calendar**

(All matters on the consent calendar are to be approved by one motion unless a Board Member requests separate action on a specific item)

President Wadlington pulled B.1.a. for further discussion.

**B.1.b. Informational Report of Accounts Payable Listing For the Period August 1 - 31, 2011**

Recommendation: None

**B.1.c. Acceptance of Monthly Financial Reports –June 2011.**

Recommendation: None

M\S\C **MOTION TO APPROVE CONSENT ITEMS. B.1.b and B.1.c**  
Beck/Kesinger Approved 4-0-1 Hager absent

**B.1.a. Adoption of the Minutes for August 23, 2011**

Recommendation: That the Board adopt the Minutes for August 23, 2011.

President Wadlington abstained from voting on the Minutes since he was absent from the August 23, 2011 meeting.

M\S\C **MOTION TO ADOPT MINUTES AUGUST 23, 2011.**  
Zenovic/Beck Approved 3-0-2 Wadlington abstained, Hager absent.

**C. Public Hearing/Bid Openings**

(This space on the agenda is reserved in the event there is a public hearing or bid opening)

**D. Agenda items which anticipate possible input from members of the public** (This space on the agenda is reserved in the event a member of the public is scheduled to address the Board)

**WORKSHOP**

**Fiscal Year 2011-2012 Capital Budget Slide Presentation**

David Barnum – Chief Financial Officer/Assistant General Manager

- The Budget adoption is scheduled for this evening.
- Public Rate Hearing is scheduled for October 25, 2011

**E. Agenda items which anticipate possible input from other agencies/consultants**  
(This space on the agenda is reserved in the event another agency/consultant is scheduled to address the Board)

**E.1. Discussion and Possible Action on an Agreement with CalFire to Provide Fire Protection for the Fiscal Year 2011-2012.**

Recommendation: That the Board adopt Resolution 11-1452 authorizing the entry into the Cooperative Agreement with CalFire to provide Fire Protection for Fiscal Year 2011-2012.

*This item was moved for discussion after F.5.*

**F. Agenda items which anticipate possible input from staff**

**F.1. Discussion and Possible Action on the Adoption of Resolution 11-1453 Adopting the RMWD Budget for Fiscal Year 2011-2012.**

Recommendation: That the Board adopt Resolution 11-1453 adopting the Fiscal Year 2011-2012 Budget.

### **Questions and Comments from the Audience**

**Bob Hatch** – asked the Board on behalf of himself and other growers, to consider a proposal from the California Avocado Association regarding a recommendation of forming a task force of growers and the District together.

**Ken Melban** – Director Issues Management, California Avocado Commission stated this is a follow up to his recent meeting with David Barnum and he appreciates the challenges of Proposition 218 and increased costs of supply.

Mr. Melban continued asking for two members of the Board and a minimum two agricultural district users to have an initial meeting before October 1

**Doug Wilsman** addressed the Board concerning the water rate increase. to share that this RMWD budget is unique in history, whereby the content of the budget doesn't show the rates. He added audience comments on the budget should be heard tonight and thus give the Board the opportunity to think about the comments.

**Eric Larson**, Executive Director of San Diego County Farm Bureau, commented that agriculture is important to San Diego County, and to Ramona, which has a robust agricultural community, and it is the aim of the Farm Bureau to help it remain so.

**Mike Dillon**, thanked Barnum for supplying the Raftelis rate study rate sheets.

**Director Kesinger** responded to the public that there be an ad hoc committee established to discuss untreated water rates with the agricultural community and he would like to be considered for membership on that committee.

**Legal Counsel Akins** responded to President Wadlington that Wadlington can form an ad hoc committee at any time, at his discretion.

**President Wadlington** stated this is a similar budget as before and is extremely lean. We can assure constituents that the District is doing, have done, and will continue to do all that can possibly be done to trim our costs and therefore the cost of the commodity to our customers. He doesn't see fat or waste in the budget. It saddens him to raise the rates on anyone. RMWD is the end consumer to MWD and SDCWA.

**Director Kesinger** asked about the public hearing notice, that puts a ceiling on the rates not-to-exceed, in which case then the Board can reduce but not increase. If reduce rates for any users, that revenue would have to be recovered from somewhere else, and that Proposition 218 notice limits our ability to do that.

**Barnum** responded the District would not be able to raise rates to offset any reduction in rates past our caps set in the Proposition 218 notice.

**Director Zenovic** stated if the rates were reduced for a set of customers, would that set of customers guarantee a quantity so that the District wouldn't incur diminished revenue. Is that a possibility?

**Barnum** responded that it is important to remember that the Board authorized a rate study, and that is your legal basis for your rates. The methodology proposed by Raftelis can be accepted or not. We can go back and work with them in future years and new concepts. But we cannot create special class of customers to receive commodity for less than the cost.

**Director Kesinger** identified two items -- one is SDCWA treatment costs; and the other is SDCWA's Emergency Storage Charge. He commented that SDCWA treatment costs, are what was reduced from our treated water rates to come up with our untreated water rates.

**Director Beck** stated we have been challenged on the budget tonight. We recruited a professional organization, Raftelis, on how water is being priced out. Our challengers tonight want to see water usage go up for untreated water users, and that should be part of the discretion. We have Lake Ramona that provides untreated water for 200 customers. How can we make that viable, as we watch our sales going down? He understands if we raise prices, the usage of water will go down. But, we have seen it go down every year. How do we make use of our Lake if we can't get what we want for the water and if we can't make it work. Why did we go out and get a price and rate study?

**M\S\C**                    **THAT THE BOARD ADOPT RESOLUTION 11-1453 ADOPTING THE FINAL YEAR 2011-2012 BUDGET.**

Beck/Zenovic    Approved 3-1-1 Kesinger opposed. Hager absent.

**F.2. Discussion on San Diego County Water Authority (CWA) Board of Directors' Representation.**

Recommendation: Options:

1. That the Board retain the current General Manager, Ralph McIntosh, as RMWD's representative to the CWA Board of Directors until the expiration of his term in September 2012, or
2. That the Board replace the current CWA Board representative with incoming General Manager, David Barnum, or
3. That the Board replace the current CWA Board representative with a current sitting RMWD Board Director.

**M/S MOTION FOR DISCUSSION ON BOARD OF DIRECTORS' REPRESENTATION**

Beck/Kesinger

**President Wadlington** commended General Manager McIntosh who has played an active role in SDCWA, and represented the District well, and kept the Board informed. From the description this is an opportunity for someone to take over that position. He added it is a time commitment of the CWA representative and on the District Manager, and he feels they should not be one and the same.

**Director Beck** stated because the general manager is familiar with the process it may be a good idea. General Manager McIntosh stated he is willing to be the representative until September 2012, and if absent from a meeting can indicate a designated proxy, and he will report the meetings to the Board and the General Manager.

**Director Kesinger** asked in the future how would the transition to the new representative transpire, to which McIntosh stated the Board could talk to Barnum if he would be comfortable, or the Board or someone from the public, and staff at CWA is accommodating to new representatives.

**Barnum** responded to Kesinger there should be continuity, McIntosh is a good representative, and in the future with Option 2 on the Agenda Item, it would be a good opportunity for him to represent RMWD.

**Director Kesinger** continued asking if anyone wishes to have the position, to which there was no response.

**President Wadlington** stated he will leave the option open for the future, but not at this time.

**Jim Robinson**, spoke before the Board. He stated the Board went through this decision a few years ago, and the reason the former Board chose the General Manager, was he has ready knowledge and takes that knowledge to the CWA and committees as well, and information was relayed back to staff and the Board.

**M/S MOTION TO AMEND THE INITIAL MOTION THAT THE BOARD CHOOSE OPTION 1. (Beck/Kesinger)**

**President Wadlington** commented that as an option to that motion that we leave McIntosh as the CWA representative and revisit this in the second meeting March 2012, at which time Barnum will have been general manager by himself with full responsibilities, and will know his daily responsibilities at the District. In that case we will have continuity at CWA, and possibility to release McIntosh at an earlier date.

**M/S/C MOTION TO AMEND THE INITIAL MOTION THAT THE BOARD CHOOSE OPTION 1. (Beck/Kesinger) Approved 4-0**

**F.3. Discussion and Possible Action on Letter to San Diego County Board of Supervisors for an Emergency Access Route on the Santa Maria Sprayfield Property.**

Recommendation: That the Board review, propose any changes and approve the attached letter to the County of San Diego Board of Supervisors regarding the Proposed Emergency Evacuation Route.

**Jim Piva**, Chairman of the Ramona Community Planning Group, described that they have been in negotiations with the County, RMWD, and have been working on an Memorandum of Understanding with Legal Counsel Akins. Dianne Jacob, Supervisor Second District, San Diego County, has agreed to facilitate a meeting with RMWD, the County, Fire Department, RCPG and other interested parties to get to the final leg.

**Jim Piva** continued that Supervisor Jacob is very eager to get the emergency evacuation route established as soon as possible.

**President Wadlington** stated he doesn't see that the issues RMWD proposes in the letter are unrelated, but they are germane to the issue. In light of the additional public input on this, and prospect of sitting down with all the interested players and voice our concerns at a singular meeting, and be addressed in the appropriate matter, he will make a motion to not approve the letter and await the meeting.

**M/S MOTION TO NOT APPROVE THE LETTER AND AWAIT THE JACOB MEETING AND HOLD OFF INDEFINITELY. (Wadlington/Kesinger)**

Discussion followed.

**Director Zenovic** asked if our letter put them on notice what our concerns are, to which Wadlington stated some of the parties do not see that as concerns, but more obstructive or adversarial.

**Director Kesinger** stated as an abundance of caution, so as not to muddy the waters for our County and Ramona Community Planning Group representatives, holding off on the letter does no harm, and the issues can still be brought to a meeting. The issues of crossing RMWD property still have to be addressed. Kesinger doesn't see any harm in holding off.

**M/S\F MOTION TO NOT APPROVE THE LETTER AND AWAIT THE JACOB MEETING AND HOLD OFF INDEFINITELY. (Wadlington/Kesinger)**

Motion Failed 2-2 Zenovic and Beck opposed.

**Director Zenovic** stated this letter to Supervisor Jacob just outlines our position and gives them our talking points, and would let them adequately prepare for any meeting in the future. The sooner the letter is mailed, the County and Ramona Community Planning Group can prepare. The fire season is upon us, and this is important for the community and he feels we should proceed.

**Director Beck** agrees. This is a letter in which we are explaining items to the County, so they can prepare for the meeting and learn what we need. There are some critical issues, such as if they are putting an easement route, they have to mitigate the environmental issues, in order to accomplish anything. This letter is just an explanation and a request that the County review in order for them to use that property. Beck sees nothing wrong with sending the letter and doesn't understand why Jacob wants to prevent it.

**M/S MOTION TO SEND THE LETTER. (Beck/Zenovic)**

**Director Kesinger** agrees that he doesn't see anything wrong with the letter. He stated that he is assuming that Supervisor Jacob knows everything in the RMWD letter, but there are more agencies involved than just the County such as the California Department of Fish and Game and other agencies.

**Piva** continued that one miswording can affect all the other agencies. They know the issues and the talking points that will be brought to Jacob. All RMWD issues will be brought forward, and the RMWD Board has to approve any deal that is done

**Director Beck** stated what a lot of our problems are would be the issues that RMWD has to deal and the people don't understand it.

**Director Zenovic** asked Barnum if anything is out of place in the RMWD letter, to which Barnum stated the letter was a collaborative effort. Barnum added there have been a series of meetings with Jacobs and the County. The letter is from all of the conversations, and is meant to be respectful to all the agencies.

**President Wadlington** asked if it would be helpful if we had a single page letter from the County with their exact requirements. Right now we are working in concepts, but would such a letter be better.

**Barnum** stated that could be another approach. If the Board chose not to send out the letter, staff would continue to meet as required. We could ask the County if they would like to provide in writing to us their proposal.

**Director Zenovic** stated he feels the letter is well intended and well written and clearly shows RMWD as a professional organization and feels we should vote and send the letter.

**Director Beck** states since Supervisor Jacob's office has already seen the letter, why don't they send us a letter and tell us what they will accommodate.

**Barnum** stated staff could bring the letter as a draft unsigned by the Board.

**Director Kesinger** stated the District is not driving the issue, County Supervisor Jacob is driving the issue. He just assumes let her drive the issue. Our letter was well written and did explain what the District wanted in a polite and professional way. Use this letter as guidance for staff and any Board members that will be part of that meeting with the County, and leave it as an unofficial document for the time being.

**M\S\F MOTION TO SEND THE LETTER.** (Beck/Zenovic) Motion failed. 2-2. Opposed Kesinger and Wadlington

**President Wadlington** added that a beneficial concept is using the letter as guidelines for those attending the meeting.

**Director Beck** stated this is unusual and it doesn't make sense. He recommends Jacob get information to us and get this matter going, since we have obligations, and have to take care of all the requirements upon the District.

**F.4. Adoption of a Resolution of Appreciation for Ralph D. McIntosh in Recognition of His Retirement After Thirty Eight and A Half Years of Dedicated Service to the District Including Three Years as General Manager.**

Recommendation: That the Board approve the attached Resolution of Appreciation recognizing Ralph McIntosh in his retirement, and for 38.5 years of dedicated service to the District.

**M\S\C MOTION TO APPROVE THE RESOLUTION OF APPRECIATION RECOGNIZING RALPH MCINTOSH IN HIS RETIREMENT.** (Kesinger/Zenovic) Approved 4-0-1 Hager absent.

**F.5. Discussion and Possible Action Regarding Sewer EDU Reassessment for APN 281-173-11-00**

Recommendation: That the Board review the response to Mrs. Narde's letter, suggest any changes, and direct RMWD staff if the Board would like to submit the letter to Mrs. Narde as a response to her inquiry.

**Sandy Narde**, owner of the Nuevo Grill approached the Board. She reiterated that a few weeks ago she copied the Board during an RMWD Board Meeting on the negotiation she was having with her landlord.

President Wadlington questioned the attached letter, that the Property Management Company [Pacific West Asset Management Corporation] is assessing the fee under the common area operating expenses [CAM] and asked if that is a common practice, to which Narde responded not to her knowledge.

She stated she built the restaurant 16 years ago and the original owner, now deceased, required that they go through all the proper channels with the County, Planning Group, RMWD, Fire Marshal, Health Department and Sheriff, before the lease was signed. Since then there have been increased EDUs and tenants that did not go through the proper channels. Recently a new tenant triggered the deficit of the EDUs in the building. She agrees with the need for EDUs but she doesn't want to have to pay for other tenants.

Narde commented RMWD doesn't deal directly with tenants but only the owner, and the owner in turn wants proof from her. She obtained from RMWD the reassessment from years ago and that it was taken care of when she was there, and noted any tenant since that time has not taken care of the additional EDUs.

**President Wadlington** stated this is similar to the other shopping center and the yogurt shop where the owner did not purchase the correct amount of EDUs to support the businesses. He added, so therefore, once again, it was not RMWD making the problem, and to call RMWD a "business killing machine" is totally inaccurate.

**M\S**            **THAT THE BOARD REVIEW THE RESPONSE TO MRS. NARDE'S LETTER, SUGGEST ANY CHANGES AND DIRECT RMWD STAFF IF THE BOARD WOULD LIKE TO SUBMIT THE LETTER TO MRS. NARDE AS A RESPONSE TO HER INQUIRY. (Kesinger/Zenovic)**

**Director Beck** commented that in the shopping centers whereby there is one owner that decides to sell off part of the shopping center, and has a certain amount of EDUs assigned to the original, we don't know where those EDUs go. Is there a mechanism through escrow or the building department to know the change of usage for the buildings?

**Director Kesinger** amended his motion to state:

**M\S\C**            **THAT THE BOARD WOULD LIKE TO SUBMIT THE LETTER TO MRS. NARDE. (Kesinger/Zenovic) Approved 4-0-1 Hager absent**

**F.6. Discussion and Possible Action on an Agreement with CalFire to Provide Fire Protection for the Fiscal Year 2011-2012.**

Recommendation: That the Board adopt Resolution 11-1452 authorizing the entry into the Cooperative Agreement with CalFire to provide Fire Protection for Fiscal Year 2011-2012.

**Assistant General Manager Barnum** introduced this item as the annual contract with CalFire and with the same services, no changes, and budgeted accordingly.

MS\C            **THAT THE BOARD ADOPT RESOLUTION 11-1452 AUTHORIZING THE ENTRY INTO THE COOPERATIVE AGREEMENT WITH CALFIRE TO PROVIDE FIRE PROTECTION FOR FISCAL YEAR 2011-12.** (Kesinger/Wadlington) Approved 4-0-1 Hager absent.

## **G.     Remaining Agenda Items**

### **G.1.   Directors' Comments**

Directors' comments are comments by directors concerning District business which may be of interest to the Board. Directors' comments are placed on the agenda to enable individual members to convey information to the Board and the public. There is to be no discussion or action taken on comments made by Board members.

**President Wadlington** reiterated the great job that staff performed during the power outage, September 8. He continued stating unlike many districts, Ramona is in bad straits when losing power, since our water is pumped up hill, and a prolonged outage creates problems. He was in constant contact with the Assistant General Manager during the outage. The staff took on additional responsibility, performed admirably, and kept things running smoothly. He recognized Johnny Brean, Water Operations Superintendent; Jim Anderson, Wastewater Operations Superintendent; and Annette Finley, Human Resources Manager, who went beyond the call of duty. Thank you, and it reinforces the idea that RMWD has a very fine staff, no matter how lean it is, and dedicated to the people of Ramona.

**Director Zenovic** stated that the constituents were appreciative of the phone calls received regarding the power outage and water service, and the professionalism of the District staff should be commended.

### **G.2.   Directors' Reports of Meetings**

Pursuant to Legislative Code Section 2.08.140, members of the Board who receive reimbursement from the District for their actual and necessary expenses for attending meetings outside the District shall either prepare a written report to be submitted at the next subsequent Board meeting or make a verbal report during the next regular Board meeting. The report shall detail the information that may be of benefit to the District that was presented at the meeting.

## **H.     Closing Agenda Items**

### **H.1.   Items for Subsequent Meetings**

**Director Kesinger** spoke of the possibility of an Ad Hoc on Untreated Water Rates and can this be addressed to which President Wadlington stated he would like to form an Ad Hoc to address Untreated Water Rates. He assigned Kesinger and himself on the committee with Kesinger as Chair. He added that Kesinger should be in contact with the appropriate persons so that the matters can be addressed.

### **H.2.   Date and Time for the Next Regular Meeting**

**Sept. 27, 2011 - 4:30 p.m.**

The regular session ended at 6:55p.m.

**J. Closed Session NOT OPEN TO THE PUBLIC**

**J.1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Pursuant to Government Code Section 54956.9 (a):

Number of Cases: 4

*Hidden Valley Ranch, et al. v. Ramona Municipal Water District*  
Superior Court of California, County of San Diego  
Case No. 37-2008-00064729-CU-CO-EC

*Hidden Valley Ranch, et al. v. Ramona Municipal Water District*  
Superior Court of California, County of San Diego  
Case No. 37-2010-00065606-CU-BC-EC

*United States of America, et al. v. J-M Manufacturing Company, Inc.*  
United States District Court  
Case No. 06-cv-00055

*The State of Nevada, et al, v. J-M Manufacturing Company, Inc.*  
Los Angeles Superior Court  
Case No. BC 459943

**Adjourn and Report if Action Taken**

Closed Session ended at 7:10 p.m. President Wadlington advised no reportable action from the Closed Session.

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**Bryan Wadlington,  
President,  
Board of Directors  
RAMONA MUNICIPAL WATER DISTRICT**