

**Borrego Water District  
MINUTES  
Adjourned Meeting of the  
Board of Directors of December 26, 2007  
To  
Wednesday, January 9, 2008  
9:00 AM  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order: President Mendenhall called the meeting to order at 9:00 a.m.
- B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.
- C. Roll Call: Directors: Present: President Mendenhall, Vice-President King, Secretary/Treasurer Andersen, Shimeall, Smiley  
Staff: Allison Burns, Stradling, Yocca, Carlson & Rauth  
Jerry Rolwing, Interim General Manager  
Kim Pitman, HR/Finance Specialist  
Wendy Quinn, Recording Secretary  
Public: Jim Engelke, Lundberg            Scot Fortiner, Fortiner Glad Ranch  
Judy Meier, *Borrego Sun*            Bill Mills  
Rudy Monica                                Bob McKee  
Rebecca Falk                                Brian Siefker, Southwest Dev. Co.  
Clark Shimeall                              Kent Shimeall  
John Fortiner

D. Approval of Agenda: **MSC: King/Andersen approving the Agenda as written.**

E. Comments from the Public and Requests for Future Agenda Items: None

F. Comments from Directors and Requests for Future Agenda Items: Director Smiley referred to a recent news article on the Coyote Creek recharge project, and asked how the Water District became the lead agency for the EIR. Jim Engelke replied that the developer would like the District to serve in that capacity, but the lead agency will probably be the County. Allison Burns added that the District had been listed on the application as lead agency, but never agreed to it.

G. Correspondence: None

**II. CURRENT BUSINESS MATTERS**

A. Tiered Rates PowerPoint Presentation – Jerry Rolwing: Jerry Rolwing presented a PowerPoint outline of the new tiered water rates proposed by the Conservation Committee. The program is designed to save water, and will affect those who exceed average usage. Upon approval, the rates would be effective July 1, 2008. Tiered rates would apply only to usage above the norm, and any revenue would be returned to the rate payers in the form of conservation investment subsidies. Mr. Rolwing showed comparisons of existing rates to tiered rates and examples of how a typical water bill would change under the new system. Tiers would be adjusted in summer to allow for increased water use without penalty. A ten percent discount would be offered to customers using ten units per month or less. Commercial rates would be based on historical usage for the last four years, with new businesses billed at Tier One until a

history has been established. Irrigation rates would apply to homeowners' associations, master metered mobile home and RV parks, golf courses, parks and schools.

Mr. Rolwing explained the proposed conservation investment subsidies, consisting of rebates for low flow toilets and washers, turf removal, and irrigation efficiency audits. He illustrated potential costs and water savings for each. The cost and savings from the irrigation efficiency audits will be evaluated after one year. Additional revenue could be used to expand the sewer system. The presentation concluded with a reminder that the Water District is charged with stewardship in preserving our aquifer.

Bob McKee asked how much it would cost a homeowner to remove a septic tank and hook up to the sewer. Mr. Rolwing explained that sewer expansion is a long-term goal which was included in the program pursuant to Proposition 218 requirements. The design phase alone will take years. Rebecca Falk pointed out that once expanded, treated sewage could be used for golf course irrigation. Brian Siefker suggested offering rebates to developers or homeowners for installation of separate "gray water" and "black water" lines so that the gray water could be used for irrigation. Mr. Rolwing replied that the program would be reviewed at least annually and Mr. Siefker's suggestion may eventually be included.

**B. Consideration of the Board to approve publication of public hearing notice for the *TIERED RATES SCHEDULE* as presented: A motion was made by Director Smiley and seconded by Director Andersen to approve publication, notice and public hearing on the tiered rates schedule as presented.** Mr. McKee asked whether a Board member who was not a District rate payer could vote on the motion, and Ms. Burns replied that such a Board member could vote. Mr. McKee inquired about the protest procedure. Ms. Burns explained that any District rate payer may protest, in writing or verbally. If 51 percent or more of the noticed population protests, it will be up to the Board whether to hold an election or reject the new rates. Protests must be received on or before the last public meeting on the rates. Mr. McKee indicated his appreciation for the inclusion of different rates for summer and winter. After discussion, it was agreed to schedule the first public hearing at the Annual Groundwater Management Meeting on March 19, 2008; and the second at the Adjourned Board Meeting on April 9, 2008. ***The motion to approve publication, notice and public hearing carried unanimously by Roll Call Vote.***

**C. Report of the Findings/Recommendations by the Expert Panel – Bill Mills:** Bill Mills summarized his draft report, *Expert Panel for Developing a Hydrogeological Investigation Program for the Borrego Valley Groundwater Basin*. The panel convened on December 3, 2007 in San Diego in an effort to develop a procedure to estimate the life of our aquifer. Potential tools might include wells, holes, gravity and seismic surveys, numeric models and aquifer tests. Mr. Mills acknowledged the panel participants, in addition to himself, Panel Chair: Jim Bennett (geologist and San Diego County Hydrologist), Tom Henderson and Steve Netto (geologists who developed the District's current numeric model), Peter Martin (geologist with the USGS), and Paul Remeika (geology instructor). Tim Ross (geologist with the State DWR) and Mr. Rolwing served as resource people.

Mr. Mills explained the needs and actions identified by the panel, including water level monitoring, groundwater elevation maps, conceptualization of the basin's structure and configuration, numeric model, physical data, data management and subsidence. He emphasized the importance of the model, which was developed several years ago and should be a valuable tool but needs some refinement. In conclusion, Mr. Mills predicted that the Groundwater Management Plan can be greatly improved through implementation of the report's suggestions. Action items were detailed in an appendix to the report and included the use of monitoring wells, cooperation with the agricultural community, refinement of the numeric model, production well velocity tests, continued assessment by the expert panel, and implementation of a data

management system. Mr. Mills recommended that Messrs. Henderson, Netto and Martin work to resolve any discrepancies in the current numeric model, and offered to coordinate the effort if the Board concurs. He went on to outline plans for a potential monitoring well near Palm Canyon Drive and Borrego Valley Road, for which grant funds are being sought. The USGS can assist with drilling and monitoring upon grant approval.

Director Smiley asked whether the panel would be working with the DWR on its three-year study of the aquifer. Mr. Mills recommended that the panel review the DWR findings. President Mendenhall noted that the DWR still has the District's numeric model software, and asked Mr. Rolwing to retrieve it.

**President Mendenhall declared a recess at 10:40 a.m., and the Board reconvened at 10:55 a.m.**

**D. Consideration of the Board to approve issuance of a Request for Proposals for preparation of the 2008-09 Budget and authorization of Budget Committee to coordinate the preparation and issuance of the Request for Proposals:** Director Andersen explained that since Russ Fogarty had always prepared the annual budget, the Budget Committee proposed to retain a consultant to handle it until the new General Manager is on board. Kim Pitman pointed out that Data Stream has a program to assist in budget preparation, and with that tool, she could perform the task in house. Consequently, no action was taken.

**E. Consideration of elimination of the Adjourned Regular Board Meeting (second Wednesday of the month):** Director Andersen felt the Board was not yet ready to eliminate the Adjourned Regular Board Meeting. Director King suggested combining the Conservation Committee meeting with the Adjourned Meeting. Ms. Burns recommended reconsidering the matter after the April Adjourned Meeting, which had already been scheduled as a public hearing on tiered rates.

**F. Consideration of the Board to revise *POLICY NO. 2005-5-1 ON DESTRUCTION SCHEDULE FOR BOARD MEETING TAPES* to read *The District will record all public meetings and maintain these recordings at the District's Administrative Office for a minimum period of 30 DAYS (instead of 5 years after the meeting) after the date of the Board's approval of the minutes of the meeting, at which time the recordings will be destroyed or erased:*** President Mendenhall reported that this item had been requested by Mr. Rolwing. Ms. Burns explained that the Brown Act requires retention of the tapes for 30 days after the meeting, but she recommended 30 days after approval of the minutes in case there is a question. ***A motion was made by Director King and seconded by Director Andersen to approve the revision to Policy No. 2005-5-1 as proposed.*** Director Shimeall reported that members of the public had indicated a desire to preserve the tapes for historical value should questions arise. Director King pointed out that individuals wishing to preserve certain tapes could request them and store them. Mr. McKee expressed concern that the minutes do not contain all detailed facts presented. Ms. Burns assured the group that she would retain any tapes she believed could be of legal significance later. ***The motion failed by the following vote: AYES – King, Andersen; NOES – Shimeall, Smiley, Mendenhall.***

**G. Consideration of the Board to revise *POLICY NO. 90-1 GUIDELINES FOR CAPITALIZATION OF ASSETS* first paragraph to read *All purchased assets constructed by the District or donated assets valued in excess of \$5,000 (instead of \$500) shall be numbered and accounted for in the District's fixed asset inventory; AND the third paragraph to read *The District's Finance Officer (instead of Accountant) shall keep the fixed asset inventory and the corresponding accounting records in accordance with this policy:**** President Mendenhall

explained that this policy change was recommended by the District's audit team. Mr. McKee expressed concern regarding potential lack of transaction records. *MSC: Shimeall/Andersen revising Policy No. 90-1 as proposed.*

### **III. GROUNDWATER MANAGEMENT**

Mr. Engelke reported that a test hole would be drilled near Yaqui Pass and Anzio next week, and he would share the resulting data with the District.

### **IV. ATTORNEY'S REPORT**

Ms. Burns reported that the Mitigation Entitlement Policy is still pending with the County. Internal discussions are continuing between the County Counsel and Department of Public Land Use. The policy will next be referred to the Chief Administrative Officer for review, and if still not resolved, she recommended seeking assistance from Supervisor Horn.

### **V. INFORMATIONAL ITEMS**

**A. President's Special Recognition Award presented by ACWA Joint Powers Insurance Authority for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums":** Ms. Pitman was proud to announce the District's receipt of incentive awards from JPIA, the result of our lack of claims and ongoing training.

**B. Local Groundwater Assistance Program: Applicants FY 2007-2008:** Mr. Mills referred to the list of pending grant applications in the Agenda Packet. BWD has applied for one-quarter million dollars, and he felt we have a good chance of success. A decision is expected in two to three months. The current funds would be used for wells, but he noted that next year we might apply for a grant for the data management system recommended by the expert panel.

**C. The Annual Groundwater Management Meeting will be held on Wednesday, March 19, 2008 @ 4:00 p.m. in the Performing Arts Center:** President Mendenhall invited the group's attention to the announcement in the Agenda.

### **VI. CLOSED SESSION**

**PUBLIC EMPLOYEE APPOINTMENT (General Manager) – reference Government Code section 54957:** At 11:30 a.m., the Board adjourned to closed session. The public session reconvened at 11:45 a.m. There was no reportable action.

### **VII. CLOSING PROCEDURE**

There being no further business, the meeting adjourned at 11:46 a.m. The next Regular Meeting of the Board of Directors is scheduled for Wednesday, January 23, 2008 in the District's Board Room.