

**Borrego Water District  
CORRECTED MINUTES  
Regular Meeting of the  
Board of Directors  
Wednesday, January 23, 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: President Mendenhall, Vice-President King, Secretary/Treasurer Andersen, Shimeall, Smiley

Staff: Jerry Rolwing, Operations Manager  
Kim Pitman, HR/Finance Specialist  
Allison Burns, Stradling, Yocca, Carlson & Rauth  
Kim Post, Consulting Engineer  
Wendy Quinn, Recording Secretary

Public: Bob McKee Judy Meier, *Borrego Sun*  
Clark Shimeall Rudy Monica  
John Fortiner Lane Sharman, BWX  
Jim Engelke, Lundberg Randi Sharman

**D.** Approval of Agenda: President Mendenhall requested the removal of Item II.A, Consideration and approval of Clark Lake Well Contract Documents, to afford the new General Manager an opportunity to review the proposal. Director Smiley asked whether the site had been inspected. Kim Post replied he had reviewed a detailed map and inspected the site with Jerry Rolwing, and Mr. Rolwing noted that he and Lin Burzell had visited an existing well in the vicinity. Director Smiley requested an opportunity to visit the site. Director Shimeall questioned the necessity for the Board to act on the item, and President Mendenhall recommended that the General Manager be asked to make a recommendation. **MSC: Shimeall/King approving the Agenda as amended.**

- E.** Approval of Minutes:
1. Regular Meeting of November 28, 2007. **MSC: Shimeall/Smiley approving the Minutes of November 28, 2007 as written.**
  2. Regular Adjourned Meeting of December 12, 2007. Director Shimeall pointed out an error in the footer (meeting date) on alternate pages. **MSC: King/Andersen approving the Minutes of December 12, 2007 as corrected.**
  3. Special Meeting of December 18, 2007. **MSC: Smiley/King approving the Minutes of December 18, 2007 as written.**
  4. Regular Adjourned Meeting of January 9, 2008. **MSC: King/Smiley approving the Minutes of January 8, 2008 as written.**

**F.** Comments from the Public and Requests for Future Agenda Items: Bob McKee asked whether the public would have the opportunity to comment on the Clark Lake well contract. He expressed concern regarding the labor law provisions. President Mendenhall suggested he put his comments in writing and/or annotate a copy of the proposed contract. Allison Burns pointed out that

if the Board authorizes the General Manager to solicit bids, the matter will not have to come back to the Board.

**G.** Comments from Directors and Requests for Future Agenda Items: Director King requested that the Board meetings begin at 9:15 a.m. to facilitate her service as Rotary President, whose meetings end at 9:00 a.m. Ms. Burns requested that the issue be placed on the next agenda. She noted that she is continuing to work with the County to enable the District to set its meeting dates and times without Board of Supervisors' approval and would have a report at the next meeting.

President Mendenhall announced the selection of a new General Manager, who will begin work on February 4. Press releases were available on the sign-in table.

**H.** Correspondence: Mr. Rolwing reported that correspondence received last Friday would be discussed at the next Board meeting.

## **II. CURRENT BUSINESS MATTERS**

**A.** Consideration and approval of Clark Lake Well Contract Documents dated January 23, 2008 and authorize District staff to advertise for bids: This item was taken off the Agenda.

**B.** Consideration of the Board to give a 30 day written notice of cancellation of the Memorandum of Understanding, BWX Permanent Water Credits, to Borrego Water Exchange: President Mendenhall explained that the District's MOU with BWX was no longer necessary. Director Smiley felt the MOU did not obligate the District to do anything objectionable and should be kept open if needed in the future. Director King inquired about the effect of the new fallowing policy, which is being negotiated with the County. Ms. Burns replied that water credits could still be sold under the new policy, but would not be limited to BWX. Rudy Monica explained that he would need to purchase mitigation credits in the future, and when development increases, there may be a rush to do so. He urged the retention of the BWX MOU so developers will know where to turn for this service. Director King pointed out that BWX could still perform its service without the District's MOU. ***A motion was made by Director Shimeall and seconded by Director King to continue the MOU with BWX in effect.*** Lane Sharman stated that BWX provides a bridge between fallowers and the District which was successful in 2006-07 and could continue to be of service. He felt this service could be lost if the MOU were cancelled, and urged the Board to at least table the matter pending arrival of the new General Manager. Jim Engelke reported that Viking Ranch is negotiating with BWX toward fallowing and therefore cancellation of the MOU would be inappropriate at this time. ***The motion to continue to the MOU in effect passed by the following vote: AYES – Shimeall, Smiley, Mendenhall; NOES – Andersen, King.***

**C.** Consideration of approval of the Board for the Assignment of 7 EDUs from Borrego Water District to Desert Sands/Youngren: Mr. Rolwing reported that Desert Sands mobile home park is in the process of converting from septic tanks to the sewer system and approval is required for the next phase. ***MSC: Shimeall/Smiley approving the assignment of seven EDUs from Borrego Water District to Desert Sands/Youngren.***

**D.** Consideration of the Board to approve draft DWR Three Year GW Investigation previously approved in concept: ***A motion was made by Director Smiley and seconded by Director King to authorize the Board President to enter into an agreement with the Department of Water Resources for a three-year groundwater investigation.*** Director Andersen inquired about the starting date, expressing concern regarding the budget if it begins prior to the next fiscal year. Mr. Rolwing explained that a payment of \$41,000 would cover the period from March 1 through July 1, 2008; then payments would be negotiated for the balance. Discussion followed regarding payment for staff time. Mr. Rolwing agreed to research the details, and the matter was continued to the next meeting.

### III. COMMITTEE REPORTS & PROPOSALS

#### A. Ad Hoc Committees:

1. Review of grant opportunities. Mr. Rolwing reported he was awaiting a response from DWR on the District's grant application for \$875,000 to repair a well and improve security, as well as \$110,000 for a sewer feasibility study. He was also awaiting news on a Proposition 303 grant application for a monitoring well. Bill Mills is continuing to investigate opportunities for partners in an integrated water management plan.

2. Personnel. Director Smiley reported that now that the General Manager has been selected, the Personnel Committee will focus on the policy manual and job descriptions, which will be presented to the Board for review and approval.

3. Budget and Finance. Director King reported that the Budget and Finance Committee was looking forward to working on next year's budget with the new General Manager.

4. BSPCSD. Director Shimeall reported that the Borrego Springs Park Community Services District had completed its application to the Department of Agriculture for a grant and loan to upgrade its wells. BWD will provide the intertie, and work is proceeding. Following a joint meeting of the CSD and BWD ad hoc committees with the USDA, a cost sharing agreement was reached, and the CSD agreed to levy a tax assessment to repay the USDA loan.

5. Contract Labor Review. Director King reported that the contract labor review was on hold pending arrival of the General Manager.

6. Negotiating. No report.

7. Town Center Sewer. Director Shimeall reported that the town center sewer project was on hold pending arrival of the General Manager.

8. GWM Plan update. President Mendenhall pointed out that a groundwater management plan update is not required this year, and Director Smiley recommended eliminating this item from the Agenda. Mr. Rolwing reported that Tim Ross and Jim Bennett were not available for the town hall meeting in March, but would try to send alternates.

#### B. Standing Committees:

Conservation. Director Shimeall invited the Board's attention to the Minutes of the last two Conservation Committee meetings, included in the Agenda packet. Director Smiley inquired about the CIMIS station, and Mr. Rolwing reported it has been installed, but we are awaiting telephone connection. Director Smiley suggested a dedication ceremony, and Mr. Rolwing agreed to discuss it with Dan Wright. Workshops are planned, and Director Smiley offered to help.

Director Shimeall reported that the Committee heard a presentation from Tom Fredericks regarding construction irrigation. Sites are irrigated according to strict County regulations, and in this area, water trucks are not the best method. However, it is important to monitor the use of sprinklers.

Discussion followed regarding the proposed conservation investment subsidies in connection with the tiered rate proposal. President Mendenhall suggested including "on-demand" (tankless) hot water systems.

President Shimeall announced that she and Jim Engelke would be attending a Christmas Circle Association Board meeting to discuss their irrigation issues.

**President Mendenhall declared a recess at 10:00 a.m., and the Board reconvened at 10:10 a.m.**

C. Comments & Suggestions: Mr. Engelke reported that a drilling rig had been installed on Yaqui Pass Road, and he would be reporting soon on the results.

**IV. CONSENT AGENDA:** The Consent Agenda includes reports that are distributed with the Agenda packet and are submitted for filing following Board approval. At the first Board meeting of each quarter, **Jan./April/July/October**, these items will be discussed in full. Any member of the Board, staff or public may request items from the Consent Agenda be removed for discussion. Items so removed shall be acted upon separately immediately following approval of items remaining on the Consent Agenda.

**A.** Water and Wastewater Operations Report (November, 2007):

**B.** Water Production/Use Records (November, 2007):

**C.** Financial Reports:

**NOVEMBER, 2007**

1. Disbursements & Claims Report.
2. Financial Statement for Period Ending.
3. Treasurer's Report.
4. Expenditures on groundwater management
5. Expenses for Board Consideration and Approval

Kim Pitman pointed out that the November Reports were included in this Agenda, and the December meeting would not have been a Consent Agenda, so they could be approved without discussion. **MSC: Smiley/King approving the November Consent Calendar.**

Mr. Rolwing responded to questions regarding the Water Production/Use Records. Director Smiley requested continued monitoring of ID #1, considering mitigation if usage increases.

**D.** Water and Wastewater Operations Report (December, 2007): Mr. Rolwing referred to Agenda page 138, reporting that the water loss for December was high because staff was shorthanded and the meters were read late.

**E.** Water Production/Use Records (December, 2007): **MSC: King/Shimeall approving the Water and Wastewater Operations Report and Water Production/Use Records for December, 2007.**

**F.** Financial Reports:

**DECEMBER, 2007**

1. Disbursements & Claims Report.
2. Financial Statement for Period Ending.
3. Treasurer's Report.
4. Expenditures on groundwater management.
5. Expenses for Board Consideration and Approval.
6. Year to Date Meter Installations.
7. Meter Installation History.

Ms. Pitman pointed out that two attorney's bills were paid in one month, accounting for the difference in disbursements versus claims. A fixed asset was purchased in November, a large computer for use with Data Stream. Cash on hand is approximately \$5 million. Groundwater management funds were expended in the amount of approximately \$30,000, much for the expert panel. **MSC: Shimeall/Smiley approving the Financial Reports for December, 2007.** Ms. Pitman explained that she had broken out the conservation account and the following account into two separate accounts under groundwater management. That information will be provided next month.

**V. STAFF REPORTS**

**A.** Engineer's Report: Mr. Post reported that the Regional Water Quality Control Board requires the District to submit three work plans, two of which have been accepted. However, the

water softener brine plan was deemed insufficient and is being revised. It will be submitted to the BWD Board prior to transmission to the Regional Board. Mr. Post explained that a fine could be imposed for failure to comply, and Ms. Burns added that the Regional Board could also sue. President Mendenhall requested a cost estimate for the Budget Committee, and Mr. Post replied that he was preparing one.

Mr. Post reported that the treatment plant was running well, and there had been no negative reports. Director Shimeall suggested publicizing this fact, and Mr. Post said it may be discussed at the town hall meeting in March.

Mr. Post further reported that he had been inspecting development at Montesoro and would be bringing a final report to the Board for acceptance.

**B. Operations Report:** Mr. Rolwing reported the crew had been working on various repairs around town, including two hydrants which were struck by vehicles. Other projects include the conduit to the CIMIS station and final preparations for the intertie to CSD.

## **VI. ATTORNEY'S REPORT**

Ms. Burns reported on a recent meeting between County Counsel and the Department of Public Land Use regarding the following policy, which went well. She will be meeting with two new attorneys from County Counsel and DPLU staff on February 4.

Ms. Burns announced that the notices required by Proposition 218 regarding the proposed tiered rates were ready to go out with the next billings. Notice will also be published in the *Borrego Sun* and the *Union Tribune*.

Ms. Burns volunteered to prepare a memorandum for the new General Manager outlining pending issues. She also sent letters to BWD and CSD outlining potential conflicts involved in her representation of CSD during its grant application to the USDA, including a waiver form, and asked that the matter be placed on the next Agenda or the General Manager be authorized to approve it. President Mendenhall pointed out that the Board already voted to waive any conflict, but Ms. Burns stated she would be more comfortable if it were placed on the next Agenda, so President Mendenhall so directed. Ms. Pitman pointed out it should also be placed on the CSD Agenda.

## **VII. CLOSED SESSION**

**A. Review Appointment of Interim General Manager. Reference Government Code §54957:** A closed session was not required.

## **VIII. CLOSING PROCEDURE**

**A. Information Items:** None

**B. Adjournment:** There being no further business, the meeting adjourned at 11:00 a.m. to February 13, 2008. The next Regular Meeting of the Board of Directors is scheduled for February 27, 2008.