

**Borrego Water District
MINUTES
Regular Meeting of the
Board of Directors of September 10, 2008
9:15 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

A. Call to Order: President Mendenhall called the meeting to order at 9:15 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: Richard Williamson, General Manager
Allison Burns, Stradling, Yocca, Carlson & Rauth
Jerry Rolwing, Operations Manager
Wendy Quinn, Recording Secretary

Public: Jim Engelke Paul Nordman
Judy Meier, *Borrego Sun* Rudy Monica
Bob McKee Rebecca Falk
Beth Hart Joe Adams, Stradling, Yocca, Carlson & Rauth

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: President Mendenhall reported that he attended the "Water: H₂O=Life" exhibit yesterday at the San Diego Natural History Museum. He referred it to the Conservation Committee, and Jerry Rolwing reported that he too had attended the exhibit, and the Committee had already discussed it.

Director Smiley announced that he would be attending a seminar on October 9 put on by the American Society of Civil Engineers. The topic is conjunctive use, and Director Smiley will report back to the Board.

President Mendenhall suggested updating the Groundwater Management Plan prior to the town hall meeting in March. Rich Williamson suggested either devoting the first monthly Board meeting exclusively to groundwater issues or reinstating the monthly Groundwater Committee meetings and having only one Board meeting. Further discussion was continued to the next Board meeting. Director Smiley asked whether a non-Committee-member Director could e-mail another Director regarding issues discussed at a Committee meeting. Allison Burns replied that he/she could, but only to one Board member.

Director Shimeall announced that an Association of California Water Agencies (ACWA) convention will be held in Long Beach on December 1. She recommended it as a valuable learning experience, and Mr. Williamson stated he plans to attend. Reservations are due by October 31.

Mr. Williamson reported he attended a conference last week regarding the effect of Proposition 218 on the budget process and an overview of the Brown Act. Brochures were available in his office upon request.

G. Correspondence: Mr. Williamson reported he had received a letter from Senator Boxer's office requesting grant applications under the 2008 Water Resources Development Act (WRDA) bill.

More on this would be discussed later in the meeting.

Mr. Williamson further reported on a letter from Emmett and Amelia Jimenez, who own property on Borrego Valley Road. They had agreed to pay \$113.65 per month for 20 years for water owned by Rams Hill (now Montesorio). They were asking to be released from this requirement. There was a concern that others were using the line for which the Jimenezes were paying, and Mr. Williamson suggested responding that we would review the agreement and modify it as appropriate. Jim Engelke stated that he had reviewed the situation and felt the charge was excessive. Further discussion and a staff recommendation were continued to the next Board meeting. Director Smiley requested an analysis of the District's costs to serve the Jimenez property. Mr. Rolwing explained that a new line was not required, just a pressure transducer. Lin Burzell calculated the payment.

II. CURRENT BUSINESS MATTERS

A. Open Public Hearing of the Borrego Water District to discuss adoption of a resolution to approve an amendment to contract between the Board of Administration, California Public Employees' Retirement System and the Board of Directors, Borrego Water District: President Mendenhall opened the public hearing at 9:37 a.m. Mr. Williamson invited the Board's attention to proposed resolutions in the Agenda packet, implementing the changes to the District employees' retirement program which were adopted by the Board in June as part of the budget process. Upon adoption, the changes should be implemented in October or November. Ms. Burns explained that the resolutions would not be considered for adoption until the next Board meeting, per PERS requirements. Director Andersen reiterated her concerns regarding the cost of the changes. Mr. Williamson explained that they did not cause an increase in rates or in the overall budget. Since the Board approved the changes in June, the employees have been informed. Bob McKee asked whether the retirees' monthly benefits would increase, and who proposed the change. Mr. Williamson replied that they would increase, and that he had proposed the change after researching other districts' benefits and determining ours were among the lowest. He further pointed out that retirees' medical benefits had been eliminated because of concern that it was an unfunded liability. The increased monthly payments are funded. Hearing no further comments, the public hearing was closed at 9:48 a.m.

B. Review revised Conflict of Interest Code for Borrego Water District: Mr. Williamson reported that the County Clerk had requested an updated Conflict of Interest Code for the District. Ms. Burns noted that the Code had not been updated since the 1980s, and it now conforms to the Fair Political Practices Commission requirements. President Mendenhall expressed concern that the referenced code sections were not included in the Agenda packet.

C. Board to Consider adoption of **RESOLUTION NO. 2008-09-1 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT AMENDING THE DISTRICT'S CONFLICT OF INTEREST CODE:** Consideration of the Resolution was continued to the next meeting so that the Board could review the referenced code section.

D. Discussion and Consideration of District Policy requiring installation of sewer collective infrastructure for all new subdivisions: Mr. Williamson explained that several new local subdivisions are in the planning stage, and although our sewer now serves primarily commercial customers, regulatory requirements and concern about groundwater quality are increasing. With increased sewer hookups, treated sewage could be reclaimed for golf course irrigation. He suggested requiring installation of sewer infrastructure at the inception of a development, rather than waiting until completion when it would be more difficult and costly. The District would review and approve the sewer plans, then the developer would deed it to the District upon completion. Discussion followed, addressing issues including subdivision and lot size and whether the homeowners would be required to hook up to the sewer. Mr. Engelke suggested adopting the Uniform Plumbing Code. Director King suggested that the District lien the new properties pending connection to the sewer by the homeowner.

Mr. Williamson contemplated bond financing for the interceptors. He agreed to draft a policy for consideration by the Board.

E. Review, discussion and consideration of Lobbyist, James F. McConnell's contract with BWD: Mr. Williamson referred to Mr. McConnell's letter in the Agenda packet, which would serve as an amendment to extend his current lobbyist contract with the District for \$4,000 per month. Mr. Williamson pointed out that there is not a lot of federal grant money available at present, although Mr. McConnell has applied for a \$58 million WRDA grant on behalf of the District. Mr. Williamson felt that Mr. McConnell had made valuable contacts on our behalf, but suggested terminating the contract at this time and reconsidering it in the future. ***A motion was made by Director Shimeall and seconded by Director King to put Mr. McConnell's contract on hiatus for now.*** Mr. Williamson noted that several studies currently underway, such as the USGS survey, Water Resources Management Plan and Integrated Water Resources Plan, will improve our chances of obtaining grants. He planned to keep in touch with Mr. McConnell and Congressman Hunter's successor on developments. Bob McKee asked how long the District had been retaining Mr. McConnell and how much he had obtained in grant funds. Director Smiley replied he had not yet secured a grant, and Mr. Williamson added he was retained in 2006. President Mendenhall pointed out that Mr. McConnell had brought Borrego Springs to the attention of our Washington representatives and gained valuable information. Mr. McKee reiterated his concern regarding the District's failure to apply for tamarisk removal funds. Director Smiley and President Mendenhall repeated the need for further study, and the likelihood that the federal funding applied to a different type of tamarisk that exists in Borrego. Director Shimeall asked whether the USGS still maintains a monitoring station in Coyote canyon. Director Smiley replied that that station and the one in Palm Canyon are nonfunctional. Mr. Williamson suggested continuing retaining Mr. McConnell, but with a monthly maximum of \$500 or \$600, and additional costs to be approved in advance by the Board at an hourly rate. ***MSC: Shimeall/King withdrawing their previous motion and second and amending Mr. McConnell's contract to provide a maximum payment of \$500 to keep the District informed; additional services would be approved in advance in writing.***

President Mendenhall declared a recess at 10:45 a.m., and the Board reconvened at 10:50 a.m.

III. GROUNDWATER MANAGEMENT

Mr. Williamson distributed a Request Sheet associated with the District's application for WRDA funding for a pipeline project. It provides for a feasibility and engineering phase, followed by design, then construction.

Mr. Williamson was working on the Water Resources Management Plan with Bill Mills and Mr. Rolwing. It will eventually be distributed to the Board and the public.

The County's general planning process is underway, and Mr. Williamson and Mr. Engelke are assisting.

Mr. Williamson pointed out there is a lot of competition for water rights, so we need to plan our strategy. Staff will present options at the next groundwater meeting. Director Smiley suggested exchanging solar energy for desalinated water. President Mendenhall suggested forming an ad hoc committee to investigate. Mr. Williamson noted that he, Mr. Rolwing and Mr. Mills would be meeting next week with the General Manager of Imperial Irrigation District and would bring up the subject. President Mendenhall suggested offering to purchase IID solar or geothermal electricity for Borrego Springs in exchange for our importation of IID water.

IV. GENERAL MANAGER'S REPORT

Mr. Williamson reported he attended an ACWA Region 10 Board meeting on August 18 in San

Marcos. Water bond issues were discussed. Mr. Rolwing reported the proposal is in the Legislature, and may or may not appear on the November ballot.

Mr. Williamson further reported that the BWD/Community Services District consolidation is before LAFCO. The School District has a lien on the CSD wastewater treatment plant property to enable them to collect impact fees. He has discussed this with representatives of the School District and the Camerons in an effort to have the lien released. Since we don't expect to develop the property, he didn't expect problems. Mr. Williamson indicated that BWD was not interested in maintaining streets and lighting in CSD following annexation.

Mr. Williamson reported he attended a seminar last week conducted by the Special Districts Association regarding finance and Proposition 218. At the next meeting he plans to present a request for proposals and scope of work for long and short-term financial planning and rate review.

Mr. Williamson noted that the next water bills would include a calculation of each customer's cost under the tiered rates, assuming use at the current level.

V. ATTORNEY'S REPORT

Ms. Burns introduced Joe Adams, who would be filling in for her during her maternity leave.

She reported she had spoken with LAFCO, and they have all they need for the CSD reorganization. A staff report will circulate shortly, and then the matter will be referred to the Tax Collector. President Mendenhall inquired about the November election. Ms. Burns replied that it is possible the CSD residents will be BWD voters by then, but not probable. CSD currently has two candidates running for four seats. Absent a full Board, the Board of Supervisors will appoint. Director King asked whether the CSD Board could suspend operation pending the reorganization, and Mr. Williamson agreed to investigate.

In response to Mr. Engelke, Ms. Burns stated she had no new information from the County on the mitigation entitlement policy.

VI. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION reference Government Code section 54956.9(a) Burzell v. Borrego Water District (SDSC Case No. 37-2008-00057104-CU-OE-NC)

The Board adjourned to closed session at 11:35 a.m., and the open session reconvened at 12:20 p.m. There was no reportable action.

VII. INFORMATIONAL ITEMS

None

VIII. ADJOURNMENT

There being no further business, the meeting adjourned at 12:20 p.m. The next Regular Meeting of the Board of Directors is scheduled for Wednesday, September 24, 2008 in the District's Board Room.