

**Borrego Water District  
MINUTES  
Special Meeting of the Board of Directors  
Wednesday, July 22, 2009, 3:15 PM  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order: Vice President Smiley called the meeting to order at 3:15 p.m.  
B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.  
C. Roll Call: Directors: Present: Vice-President Smiley, Secretary/Treasurer Andersen, Mendenhall, Shimeall

Absent: President King

Staff: Richard Williamson, General Manager  
Greg Holloway, Compliance Manager/Safety Officer  
Kim Pitman, Administration Manager  
Diana Del Bono, Administrative Assistant  
Wendy Quinn, Recording Secretary  
Public: Bob McKee Marshal Brecht  
Judy Meier, *Borrego Sun*

- D. Comments from the Public and Requests for Future Agenda Items: None  
E. Comments from Directors and Requests for Future Agenda Items: None  
F. Correspondence: None

**II. CURRENT BUSINESS MATTER**

A. Consideration and possible action of the Board regarding modification to district investment policy: RESOLUTION NO. 2009-8-1 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY: Rich Williamson announced that the State Legislature would vote on the budget tomorrow. One issue is the borrowing of funds from local governments to make up the State shortfall. Some local districts have therefore modified their investment policies to protect funds from being swept. Specifically, the Local Agency Investment Fund (LAIF), in which BWD invests, is administered by the State Treasurer and is easily accessible. One option would be Certificates of Deposit, Account Registry Services (CDARS), which would accept a \$4 million investment and then package it into \$100,000 accounts with various institutions so that each will be fully FDIC insured. Mr. Williamson suggested transferring the LAIF investments to Wells Fargo for now and investigating CDARS in more depth. Unlimited FDIC coverage is available on non-interest bearing accounts, and a recommendation will be presented to the Board at its August 4 meeting.

Mr. Williamson referred to section 3.b(2) of the proposed Resolution, and recommended that the 20 percent limit for investment of the District's total in a single FDIC-insured financial institution (except CDARS) be changed to 75 percent. In response to Director Smiley's inquiry, he confirmed that the Board would be kept apprised regarding the interim investments. Director Mendenhall requested a full report at each Board meeting.

*MSC: Shimeall/Mendenhall adopting Resolution No. 2009-8-1, Resolution of the Board of Directors of the Borrego Water District Restating and Adopting a Statement of Special Minutes: July 22, 2009*

*Investment Policy, with the change to section 3.b(2) as discussed from 20 percent to 75 percent, and authorizing transfer of funds not to exceed \$4 million into a fully FDIC insured account with a private financial institution. RC: AYES – Shimeall, Mendenhall, Andersen, Smiley; ABSENT – King.*

### **III. GENERAL MANAGER'S REPORT**

Mr. Williamson reported that the auditors visited the District this week, and the audit went well. They will return in late August.

The I-Bank application should be completed some time next week.

A line break last week at Country Club and Weather Vane has been repaired.

### **IV. CLOSING PROCEDURE**

A. Adjournment: There being no further business, the meeting was adjourned at 4:05 p.m. The next Regular Meeting of the Board of Directors is scheduled for Wednesday, September 23, 2009 at the Borrego Water District, and a Special Meeting of the Board of Directors is scheduled for Tuesday, August 4, 2009 at 9:00 a.m.