

**Borrego Water District**  
**MINUTES**  
**Meeting of the Board of Directors**  
**Wednesday, March 24, 2010**  
**9:15 AM**  
**806 Palm Canyon Drive**  
**Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A.** Call to Order: President King 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 King, Vice-President Smiley, Mendenhall, Shimeall

Absent: Secretary/Treasurer Andersen

Staff: Richard Williamson, General Manager  
Jerry Rolwing, Operations Manager  
Kim Pitman, Administration Manager  
Diana Del Bono, Administrative Assistant  
Allison Burns, Stradling, Yocca, Carlson & Rauth  
Wendy Quinn, Recording Secretary

Public: Judy Meier, *Borrego Sun*           Lyle Brecht  
Jim Engelke, Lundberg           Jack Kuhrts  
Beth Hart                            Bev Kuhrts  
Don McKelvey                    J. Gray

- D.** Approval of Agenda: *MSC: Mendenhall/Smiley 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 Shimeall reiterated her preference for having the Minutes at the beginning of the Agenda and asked that consideration of this be placed on the next Agenda. Director Smiley concurred. Rich Williamson suggested the entire Consent Calendar be placed at the beginning of the Agenda, and the Board agreed. The Board also agreed to dispense with the quarterly reports.

**II. CURRENT BUSINESS MATTERS**

**A.** Consideration and Adoption of amended Policy 83-2 and amended Article III of the Administrative Code relative to directors' compensation: Director Smiley reported that the Personnel Committee (he and Director Shimeall) discussed the proposed amended Policy and Administrative Code. They disagreed with the suggestion to pay "portal to portal" for other meetings and/or legal proceedings pertaining to District business and kept the payment at \$40 per hour, maximum four hours per day, four days per month. Increases may not exceed five percent per calendar year, per the California Water Code. The District's Administrative Code, Ordinance and Policy will now be consistent and in compliance with the Water Code. Allison Burns pointed out the definitions of "other meetings and/or legal proceedings pertaining to District business" had been added. The Personnel Committee recommends approval. *MSC: Mendenhall/Shimeall adopting amended Policy 83-2 relative to Directors' compensation.* Ms. Burns announced that the amended Administrative Code would come before the Board at a future meeting.

**B.** Consideration of Fire Hydrant Markers: *A motion was made by Director Smiley and seconded by Director Shimeall to pay for pavement markers at fire hydrant locations.* Mr. Rolwing

explained that if approved, the District would coordinate with the Fire Department, which would provide the labor. Mr. Williamson announced that the cost would be approximately \$1,800. The Water District would be indemnified against improper placement or equipment. President King suggested adding the cost of the marker to the cost of the hydrant. ***Directors Smiley and Shimeall amended their motion and second to provide that payment is contingent on a signed indemnification agreement.*** Mr. Williamson noted that the Fire Department would purchase the markers; BWD would just provide the reimbursement. ***Directors Smiley and Shimeall amended their motion and seconded to provide that the Fire Department would be reimbursed by BWD for the cost of the markers following purchase. The motion (as amended twice) was passed by unanimous vote of those present.***

C. Consideration and adoption of amendment to financial services contract with Glenn Reiter and Associates: Mr. Williamson requested that this item be continued to the next meeting so that the appropriate committees could review it first.

D. Consideration to authorize the general manager to submit a request for a Bureau of Reclamation basin planning grant in conjunction with Imperial Irrigation District and the Coachella Valley Water District: ***A motion was made by Director Mendenhall and seconded by Director Smiley to authorize the General Manager to submit a request for a Bureau of Reclamation basin planning grant in conjunction with Imperial Irrigation District and the Coachella Valley Water District.*** Mr. Williamson explained that BWD had submitted a similar grant application last year in conjunction with the Golf Course Association, AAWARE and other local groups, but it was denied because it served a limited population. Now, with the participation of Imperial Irrigation District and Coachella Valley Water District and the support of the San Diego Water Authority, we should stand a better chance. The maximum grant is \$2 million, and the local match is 50 percent. Our expenditures for the USGS study can be used for the local match. The project would support the study of water banking and storage in our basin. The other agencies will not contribute much financially, since Borrego is the beneficiary, but will enhance our chances of approval. Mr. Williamson estimated BWD's costs between \$100,000 and \$150,000. ***The motion to authorize the General Manager to submit a request for a Bureau of Reclamation basin planning grant with IID and CVWD passed by unanimous vote of those present.***

E. Results of District Internal Services Questionnaire and proposed follow-up actions: Mr. Williamson invited the Board's attention to the public questionnaire results in the Agenda. Of the 559 responses, 150 answered "no" to all inquiries regarding additional internal services. Alternatives included trash removal, \$10 million bond for fallowing (many wanted additional information on this), recreational facilities, a cemetery, and solar participation (the highest percentage of "yes" responses).

F. Discussion regarding solar power projects and District mitigation requirements: Mr. Williamson reported that staff is currently negotiating for acquisition of land and cooperative efforts with solar power providers. Details will be addressed in closed session. Jim Engelke presented an aerial view of the Viking Ranch. The owner wants to fallow it and use half for County mitigation and half for the District. He proposes a campground and recharge basin on part of the property, and is now pursuing a solar array on part of it.

### III. COMMITTEE REPORTS & PROPOSALS

#### A. Ad Hoc Committees:

1. Personnel. The Personnel Committee report was covered previously.
2. Budget/Contract/Grants. President King reported that the Budget/Contract/Grants Committee had held the first of its three budget preparation meetings. Glenn Reiter made a presentation. Mr. Rolwing reported that staff was working on a grant application through the Integrated Regional Water Management Program.
3. Services Committee. President King reported that the Services Committee met and discussed the internal services questionnaire, solar power and the Club Circle Golf Course.
4. Negotiating. No report.

5. Sewer. No report.

6. Capital Projects. Director Mendenhall asked whether a Capital Budget meeting would be scheduled soon, and Mr. Williamson replied that there would probably be two meetings before the final budget presentation.

7. Finance. President King reported that the Finance Committee had discussed income streams into the District.

**B. Standing Committees:**

1. Conservation. Director Shimeall invited the Board's attention to the 2010 Conservation Budget Summary, included in the Agenda. She reported that Mr. Rolwing and irrigation auditors Tom Fredericks and Scott Messersmith participated in the recent ABDNHA native plant day and offered audit applications and irrigation materials. Director Mendenhall reiterated his request for a calculation of how much water had been saved through the conservation program, and Mr. Rolwing stated he was working on an updated report.

2. GWM. Director Smiley reported that interest in water credits is beginning to escalate, and the Committee has developed a form to memorialize credit sales. The District has 14 credits available from the Palm Canyon Resort following, but it is unclear whether the County will accept them.

**President King declared a recess at 10:25 a.m., and the Board reconvened at 10:35 a.m.**

**IV. CONSENT AGENDA:** The Consent Agenda includes reports that are distributed with the Agenda packet and are submitted for filing following Board approval. 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 – February 2010.**

**B. Water Production/Use Records – February 2010.**

**C. Financial Reports – February 2010.**

1. Disbursements & Claims Report.

2. Financial Statement for Period Ending 2/28/10.

3. Treasurer's Report.

4. Water Conservation Program Accounting.

**D. Approval of Minutes**

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**E. Correspondence**

ABDNHA letters of appreciation

*A motion was made by Director Shimeall and seconded by Director Mendenhall to approve the Consent Agenda.* Referring to Agenda page 36, Director Mendenhall inquired about the approximately \$700,000 in receivables. Mr. Williamson explained that inventory is included, and Kim Pitman added that they also encompass availability charges, taxes and water and sewer charges. Director Mendenhall further asked about the approximately \$9 million in depreciation: How much is funded and where is it documented? Mr. Williamson replied that this is the total depreciation over the life of the District. For the past year the amount was \$580,000, funded through rates. The balance had been in reserves and has been spent. But as we spend the funds on new assets, they in turn are depreciated.

Director Shimeall inquired about the \$2,369 payment to DLT Solutions for Autodesk Gold Support Renewal, reflected on Agenda page 31. Mr. Rolwing explained that it was for the District's AutoCad system, used in mapping. In response to further inquiries from Director Shimeall,

Mr. Rolwing confirmed that a payment to Lana Jones was for turf removal, and Ms. Pitman stated that \$500 had been used to reimburse the petty cash account.

Director Shimeall asked whether Chris Gadomski, the solar consultant, would be addressing the Board. Mr. Williamson replied that he would be available by phone during the closed session.

Director Mendenhall inquired about Mr. Williamson's authority to hire and fire. Ms. Burns explained that he had authority to hire and fire staff, although the Board hires/fires the General Manager. The authority to hire and fire consultants has not been delegated.

Director Shimeall requested an explanation for the name change from "Improvement Districts." Mr. Williamson explained that most of BWD's service areas are not technically Improvement Districts because they don't have outstanding bonds. We are now going to call them Service Areas. He hoped to eventually combine them all, and this is being addressed as part of the current fee study.

***The motion to approve the Consent Agenda passed by unanimous vote of those present.***

## **V. STAFF REPORTS**

**A. Manager's/Engineer's Report:** Mr. Williamson offered to answer questions regarding his written report, included in the Agenda. Director Smiley asked about his recent meeting as a member of the ACWA Groundwater Committee. Mr. Williamson reported that the committee met earlier this month and included representatives from the Central Valley, the Santa Ana Watershed area and Escondido. He is the only member from the desert. The major current issue is the \$11 billion bond issue on the November ballot, which includes State regulation of groundwater. The committee will meet again in May. Director Mendenhall asked that the Board be kept up to date on pending legislation. Mr. Williamson noted that a draft position paper is available.

**B. Operations Report:** Mr. Rolwing reported that he conducted a class on water for fourth grade Gifted and Talented Education students. Wells 4 and 10 are back in service. A break at Montesoro will be addressed as part of the capital budget.

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

Ms. Burns reported that one of the delinquent bond payments at Montesoro had been made, and foreclosure proceedings are being filed on the others. Title reports have been ordered and the complaints should be filed next week, followed by service and default or motion for summary judgment. She expects judgment in the District's favor and a foreclosure sale conducted by the Sheriff. Director Shimeall asked whether individual homeowners were involved, and Ms. Burns replied there were four individual owners and the others were owned by companies. The Community Facilities District has sufficient reserves to make the next three bond payments and cover litigation costs. Director Mendenhall asked if it was still necessary to retain an outside firm for tax collection and assessment. Ms. Burns replied that it was, because we have to continue billing. Some owners are continuing their payments, and those in default are still billed because costs can be claimed in the litigation.

## **VII. CLOSED SESSION**

**A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Reference Government Code section 54956.8:**

Property: 141-030-24  
District Negotiator: Richard Williamson  
Negotiating Parties: Dennis Avery  
Under Negotiation: Consideration for real property and terms of same.

**B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Reference Government Code section 54956.9(b) one potential case:**

**C. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Reference Government Code section 54956.8:**

Property: 140-030-03, 140-030-05  
District Negotiator: Richard Williamson  
Negotiating Parties: Lance Lundberg  
Under Negotiation: Consideration of restrictive water use easement and terms of same

**D. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Reference Government Code section 54956.8:**

Property: 199-080-21  
District Negotiator: Richard Williamson  
Negotiating Parties: Cameron Bros. Construction Company, L.P.  
Under Negotiation: Lease of Club Circle Golf Course

The Board adjourned to closed session at 11:25 a.m., and the open session reconvened at 12:15 p.m. There was no reportable action.

**VIII. CLOSING PROCEDURE**

Adjournment. There being no further business, the meeting adjourned at 12:15 p.m. The next regular meeting of the Board of Directors is scheduled for April 28, 2010 at the Borrego Water District.