

Borrego Water District
CORRECTED MINUTES
Special Meeting of the Board of Directors
January 12, 2011
9:15 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

A. Call to Order: Secretary/Treasurer 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: Secretary/Treasurer Mendenhall, Lyle Brecht, Marshal Brecht, Hart, Shimeall

Staff: Jerry Rolwing, Acting General Manager/Operations Manager
Kim Pitman, Administration Manager
Diana Del Bono, Administrative Assistant
Allison Burns, Stradling, Yocca, Carlson & Rauth (available via teleconference)
Wendy Quinn, Recording Secretary

Public: Dennis Dickinson Ken Gilstrap
Ray Shindler Ray Delahay
Dick Walker Jim Engelke, Lundberg
Duane Bright Clark Shimeall
Kathy Johnston Judy Meier, *Borrego Sun*
Lucy Larson Jim Melvin

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

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

MSC: L.Brecht/Hart approving the Agenda as written.

II. CURRENT BUSINESS MATTERS

A. Discussion of and possible action regarding MOTION 2011-01-01: regarding a vote to clarify and to amend Policy 2003-5-1: Directors and Officers Responsibilities and Limitations: A motion was made by Director Lyle Brecht and seconded by Director Hart to clarify and amend Policy 2003-5-1. Director Lyle Brecht requested that the two Notes on the proposed revised Policy (Agenda packet pages 5 and 6) be deleted. After discussion, it was agreed to retain the second paragraph of the Note on page 5 and designate it as paragraph 1.a.ii(iv).

Director Lyle Brecht explained the thrust of the proposed amendments, which would provide that although the General Manager would continue to manage day-to-day issues, the Board would also have access to consultants and the General Manager. Director Hart noted her perception as a citizen that the Board did not always have full access to necessary information, and that information was not always presented by staff in a public forum. Director Shimeall opined that the Policy had evolved over the years and was working well. She felt the proposed amendments would essentially provide for the Board to micro-manage District affairs. Jerry Rolwing referred to the City of San Diego's experience, where

a strong City Manager form of government resulting in financial difficulties and the City returned to a strong Mayor (elected official).

The motion to clarify and amend Policy 2003-5-1 as set forth in the Agenda packet and modified during discussion carried. RC: AYES – L. Brecht, Hart, M. Brecht; NOES – Mendenhall, Shimeall.

B. Discussion of and possible action regarding MOTION 2011-01-02: regarding a vote to enable the Board to establish ad-hoc committees of the Board: ***A motion was made by Director Lyle Brecht and seconded by Director Marshal Brecht to enable the Board to establish ad-hoc committees of the Board.*** Director Lyle Brecht explained that the proposed action, which would amend Policy 2003-5-1 B.1 (3.a under the revised Policy) by providing that the President could create ad-hoc committees and assign Directors to them only with a majority Board approval except in emergency or time-sensitive matters, would make the committee formation process more public. ***The motion carried. RC: AYES – L. Brecht, M. Brecht, Hart, Mendenhall; NO – Shimeall.***

C. Discussion of and possible action regarding MOTION 2011-01-03: regarding a vote to disband existing ad-hoc committees; to suspend all standing committees of the Board; and to establish two new ad-hoc committees of the Board: the Due Diligence Committee and the Professional Advisory Committee: ***A motion was made by Director Lyle Brecht and seconded by Director Hart to disband the existing ad-hoc committees, suspend all standing committees, and establish two new ad-hoc committees: the Due Diligence Committee and the Professional Advisory Committee.*** Director Hart suggested that temporarily disbanding the standing Conservation and Groundwater Management Committees would provide an opportunity for the new Board members to become more familiar with District operations and finances.

Director Lyle Brecht explained that the Due Diligence Committee, proposed to include Director Marshal Brecht and himself, would review the work of the District's consultants to determine adequacy of information and financial issues. The Committee would serve until completion of the 2011 audit. Secretary/Treasurer Mendenhall requested Mr. Rolwing's opinion, and Mr. Rolwing replied that it should help his understanding of the issues and would not be a problem for him.

Director Lyle Brecht went on to summarize the proposed function of the Professional Advisory Committee (Director Hart and himself), which would be to assist in selection of advisors to the District, including the General Manager, upon direction of the Board. Mr. Rolwing expressed no objection. ***The motion carried. RC: AYES – L. Brecht, Hart, M. Brecht, Shimeall, Mendenhall.***

D. Discussion and possible action regarding MOTION 2011-01-04: regarding a vote on assigning tasks to the Due Diligence Committee and to the Professional Advisory Committee of the Board for the purpose of completing a due diligence review of the pending Cocopah Nurseries water credits purchase: ***MSC: L.Brecht/Hart assigning tasks to the Due Diligence Committee and the Professional Advisory Committee for the purpose of completing a due diligence review of the pending Cocopah Nurseries water credits purchase. RC: AYES – L. Brecht, Hart, M. Brecht, Shimeall, Mendenhall.***

E. Discussion and possible action regarding MOTION 2011-01-05: regarding a vote on assigning tasks to the Due Diligence Committee and to the Professional Advisory Committee of the Board for an independent management review of the District's finances, management policies, engineering needs, and mitigation policies: ***A motion was made by Director Lyle Brecht and seconded by Director Marshal Brecht to assign tasks to the Due Diligence Committee and the Professional Advisory Committee for an independent***

management review of the District's finances, management policies, engineering needs, and mitigation policies. Director Lyle Brecht explained that the purpose of this proposal was to ensure that the new Board members and the public know where the District stands in terms of finance, management, engineering and mitigation policies. An independent consultant would review past practices and make recommendations to the Board. ***The motion carried. RC: AYES – L. Brecht, M. Brecht, Hart, Mendenhall; NO – Shimeall.***

F. Discussion of and possible action regarding MOTION 2011-01-06: regarding a vote to establish an ad-hoc committee of the Board: the Capital Allocation Review Committee: ***A motion was made by Director Lyle Brecht and seconded by Director Marshal Brecht to establish an ad-hoc committee of the Board, the Capital Allocation Review Committee, with Directors Mendenhall and Shimeall as members.*** Director Lyle Brecht envisioned that the Capital Allocation Review Committee, working with Mr. Rolwing and Kim Pitman, would provide financial information upon which the capital budget would be based. Secretary/Treasurer Mendenhall declined to serve, and Director Hart volunteered in his stead. ***The motion carried, with the substitution of Director Hart for Director Mendenhall. RC: AYES – L. Brecht, M. Brecht, Hart, Shimeall; NO – Mendenhall.***

G. Discussion and possible action regarding the modification of the remaining balance of the work to be performed by Glenn Reiter: Director Lyle Brecht reported that the District has spent \$8,400 to date on a \$30,000 contract with Glenn Reiter for a rate study. Allison Burns confirmed that the contract can be terminated or suspended. Mr. Rolwing explained that Mr. Reiter had spent a lot of time working with Ms. Pitman to accumulate data, and would be of value to the District during the public hearing process if a rate change is proposed. Ms. Pitman added that we have already spent over \$30,000 on the first two contracts with him; the current one is the third. The Board agreed to postpone a decision until they could obtain more information on the work accomplished to date and future plans. Mr. Rolwing agreed to request the data and place it on the next agenda.

H. Discussion of agenda structure and organization of its content: Director Hart distributed a hand-out outlining issues for discussion relative to the agenda format. She pointed out that items of particular interest to the audience are sometimes near the end of the agenda. Mr. Rolwing suggested distributing the General Manager's report prior to the meeting and presenting a verbal summary of the highlights at the meeting and an opportunity for questions.

Director Hart explained that when she is contacted by a member of the public, after confirming her understanding of the message or question and obtaining the poser's permission to share it, she brings it up at the meeting. It was agreed to present such items during the comments from Directors, which will now be placed prior to comments from the public.

Director Hart requested that immediately upon receipt of the Minutes by staff, they be distributed to the Directors for comment. The Board concurred. Comments will be submitted to Diana Del Bono for incorporation.

It was tentatively agreed to organize the agenda as follows:

Call to order

Pledge of Allegiance

Roll Call for Directors

Approval of Agenda

Approval of Minutes from past meetings

Comments from Directors

Comments from Public

Correspondence
Staff reports
 Manager
 Operations
Attorney's report
Consent agenda (Discussed fully Jan, April, July and October)
Current Business Matters (Arranged so items affecting attending members of
the public and professionals are first)
Committee Reports & Proposals
 Ad Hoc
 Standing
Informational Items
Closed sessions
Adjournment

I. Discussion of Board meeting time and format: Mr. Rolwing distributed a letter from Judy Meier urging that Board meetings remain on Wednesday due to the *Borrego Sun* deadline. Jim Engelke suggested moving them to the afternoon, but Mr. Rolwing pointed out that District staff earns overtime after 3:00 p.m. and the cost would increase. The Board agreed to leave the meetings on the fourth Wednesday morning.

Discussion followed regarding committee meetings. Mr. Rolwing explained that it is up to each committee whether to notice the meetings and make them public. Director Hart expressed a preference for a "round table" seating arrangement at committee meetings.

Responding to requests that the agenda packets be distributed earlier, Ms. Pitman explained that it depends on when the backup information is received by staff. The agenda can be distributed within two days of receipt. Director Hart hoped it could be available to the public on Friday before the meeting.

Director Lyle Brecht questioned the need to have an attorney present at every Board meeting. It was agreed that based on the agenda content, staff would decide whether or not to invite the attorney. Then when the draft agenda is distributed to the Board for comment, if she is not invited, any member may request her presence. Director Lyle Brecht noted that if a legal issue arises unexpectedly and the attorney is not present, the item can be continued to the next meeting.

III. CLOSING PROCEDURE

Secretary/Treasurer Mendenhall distributed his letter of resignation from the Board.

A. Adjournment: There being no further business, the meeting adjourned at 11:20 a.m. The next meeting of the Board of Directors is scheduled for January 26, 2011 at the Borrego Water District.