

**Borrego Water District
CORRECTED MINUTES
Regular Meeting of the Board of Directors
Wednesday, September 28, 2011
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

- A.** Call to Order: President Hart 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: Present: President Hart, Vice-President Lyle Brecht, Secretary/Treasurer Marshal Brecht, Estep, Shimeall
- Staff: Jerry Rolwing, General Manager/Operations Manager
Kim Pitman, Administration Manager
Diana Del Bono, Administrative Assistant
Wendy Quinn, Recording Secretary
- Public: Judy Meier, *Borrego Sun* Ray Delahay
Dick Walker Bob McKee
Jim Engelke Greg Locke, County of San Diego
Jim Wilson, CCCP Bob Bull, CCCP
Lance Sharman, Solana Energy Randi Sharman, Solana Energy
Dennis Dickinson Roger Ries, American Legion
Okie McNatt

D. Approval of Agenda: President Hart announced an urgent addition to the Agenda, III.B in closed session, a personnel matter. ***MSC: L.Brecht/M.Brecht approving the Agenda as amended.***

E. Approval of Minutes:

Special meeting of July 19, 2011

MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of July 19, 2011 as written.

Regular meeting of July 27, 2011

MSC: L.Brecht/Estep approving the Minutes of the Regular Meeting of July 27, 2011 as written.

F. Comments from Directors and Requests for Future Agenda Items: President Hart requested that Director Marshal Brecht replace her on the ad hoc committee addressing legal issues relative to Montesoro.

Director Shimeall announced that she would be retiring from the Board after today's meeting.

G. Comments from the Public and Requests for Future Agenda Items: Bob McKee requested that the Agenda for October 26 include a discussion of best management practices for commercial and irrigation customers.

Okie McNatt expressed concern regarding the recent increase in water rates, and suggested the District consider selling some of its real property to generate income. He also suggested that the Viking Ranch purchase include the well on the property. President Hart asked Jerry Rolwing to schedule a meeting with her and Mr. McNatt.

Roger Ries asked whether the increased water rates are used to cover District costs or to replenish reserves. President Hart replied that it all currently goes for the cost of operating the water

system, and the sewer for those served by it. Mr. Ries suggested cutting back on expenses and reducing the rates once the reserves have been replenished. President Hart invited him to attend the meeting with Mr. McNatt.

H. Correspondence:

Borrego Springs Chamber sponsorship pledge

Mr. Rolwing explained that District could not contribute ratepayers' funds to support Borrego Days, as requested by the Chamber.

Letter from R. Viora

Robert Viora had written two letters expressing concern regarding the fact that he was being charged more for his one-inch water meter than those with three-quarter-inch meters. Mr. Rolwing responded that the larger meter costs more because it has the potential to convey a larger quantity of water. Director Lyle Brecht asked Mr. Rolwing to investigate alternatives and perhaps consult with Raftelis.

Letter from William Landry

Mr. Landry suggested waiving the water credit and mitigation program fees and reducing the water meter hook-up fees until the economy improves. Mr. Rolwing will respond.

Letter from L. Sharman

On behalf of the owners of the Dragon Fruit Farm and Solana Energy, Lane Sharman requested that the Board consider a long-term contract to provide the District with electricity at a cost savings. The matter will be placed on the next Agenda.

Letter from W. Quinn

Mr. Rolwing reported that Wendy Quinn had submitted her resignation as Recording Secretary, effective at the end of the calendar year.

I. Staff Reports:

A. Financial Reports – July and August 2011

Kim Pitman offered to answer questions. Director Marshal Brecht pointed out that the projection for cash at the end of the fiscal year is \$740,000. We started with \$779,000. Mr. McKee asked whether the District's cash supply was now exhausted, as had once been predicted to happen in the fall of 2011. President Hart replied that it was not, due to the rate increase and savings programs.

B. Manager/Operations Report

Mr. Rolwing offered to answer questions. In response to Director Marshal Brecht, he reported that he, Greg Holloway and another employee had completed all the on-line FEMA classes and were waiting for an in-person session to be scheduled.

J. Attorney's Report: None

II. CURRENT BUSINESS MATTERS

A. Discussion and possible approval of request from County of San Diego to amend the existing Borrego Water District and County of San Diego Lease agreement for 800 MHZ radio communications site and to request to negotiate the purchase of the Sheriff regional radio site: Greg Locke from the County Real Estate Services Division requested the Board's consideration of an amendment to its existing radio communications site lease agreement and the negotiation of a purchase of the Sheriff's radio site. The purchase is requested because the County hopes to obtain control of as many of these sites as possible in order to streamline the permitting requirements. The lease amendment is recommended because San Diego Gas and Electric Company has co-located in some sites, and this should be memorialized in the lease. *MSC: L.Brecht/Estep approving the amendment of the existing lease between the Borrego Water District and County of San Diego for 800 MHZ radio communication site and referring the purchase negotiation for the Sheriff regional radio site to the Asset Ad Hoc Committee.*

B. Discussion of and possible approval of request from Christmas Circle Community Park to establish a water rate for "non-profit Community Benefit Parks" or to permit the installation of a well: Jim Wilson, President of the Christmas Circle Community Park, requested the Board's consideration of transferring its water rights to the park so they could drill a well, or in the alternative, establish a lower water rate for non-profit community benefit parks. He explained that the park is funded by grants and donations, and the County's grant was recently reduced by \$10,000. Mr. Sharman suggested instituting an association fee for residents. Mr. Wilson explained that it would require creation of a park district, and this is being considered. Jim Engelke suggested deeding the park to the Water District. Ray Delahay suggested charging people who use the park. Judy Meier suggested asking attendees at the Borrego Days festivities to donate to the park's upkeep. Mr. McNatt distributed a letter in support of the park's request for assistance. President Hart requested that an ad hoc committee be established to look into the various suggestions and legal issues involved. *MSC: L.Brecht/M.Brecht establishing an ad hoc committee composed of President Hart and Director Estep to investigate alternatives and answer questions relative to Christmas Circle Community Park.* Messrs. Wilson and Sharman were asked to work with the committee. Dennis Dickinson suggested partial fallowing to reduce water use. A committee meeting was scheduled for October 12 at 9:00 a.m.

C. Discussion and possible action regarding San Diego County Proposed Groundwater Ordinance Amendment and BWD MOA: Mr. Rolwing reported that the Strategic Planning Committee had reviewed the County's proposed Groundwater Ordinance Amendment and Memorandum of Agreement yesterday. Input from the agricultural community, golf courses and residents was considered. He explained that the MOA would provide for the Water District to enforce the water mitigation credit policy. The public comment period ends October 28, and anyone wishing to comment was invited to submit input to Mr. Rolwing.

Director Lyle Brecht suggested that the table on Agenda page 108 be transferred to an exhibit, making future amendment of the Ordinance easier. Mr. Rolwing will submit the suggestion to Jim Bennett at the County. Director Lyle Brecht questioned the provision on Agenda page 108 (page 1 of the proposed Ordinance) that the groundwater investigation will be conducted by a State Registered Geologist or Civil Engineer. He felt it should be a groundwater geologist or hydrogeologist.

Mr. Rolwing summarized concerns brought up at yesterday's committee meeting, including the water efficiency assumptions used in calculation of water credits, the impact of the MOA on real estate development and the question of credits for partial fallowing.

Referring to section 10 of the MOA (Agenda page 115), it was agreed that it might be preferable to provide for a 120-day notice of termination by either party instead of 30 days.

III. CLOSED SESSION

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

Property:	199-080-21
District Negotiator:	Lee Estep, Beth Hart, and Jerry Rolwing
Negotiating Party:	Jack Cameron
Under negotiation:	Price and terms

B. PERSONNEL MATTER:

The Board adjourned to closed session at 11:10 a.m., and the open session reconvened at 12:20 p.m. Mr. Rolwing announced that as to Item III.A, negotiations will continue and a report will be presented upon conclusion. As to Item III.B, Greg Holloway will assume the position of Operations Manager. There will be no budget impact. President Hart announced that the District office will now be open from 8:00 a.m. to 3:00 p.m., instead of 9:00 a.m. to 4:00 p.m.

IV. ADDITIONAL BUSINESS MATTERS

D. Discussion and possible approval of the Club Circle Golf Course lease agreement: Agreement had not yet been reached.

E. Motion to request District general counsel to research potential mechanisms for collecting water extraction fees: Director Lyle Brecht reported that in 2004, then District counsel Fritz Stradling had concluded that the District had the ability to impose a water extraction fee but probably not the ability to collect it. **MSC: L.Brecht/Estep authorizing Lisa Foster to research the water extraction fee issue for a maximum of three hours.**

F. Discussion and possible approval of revisions in Personnel Policy #112 and #302: Mr. Rolwing proposed revisions to the Personnel Policies to define a person working over 26 hours per week as full time and therefore entitled to health benefits under PERS guidelines. The office staff would then be reduced to a seven hour work day, saving the District \$21,500 per year in salaries, \$877 in workers' compensation and \$4,800 in PERS. Ms. Pitman added that District employees will take over the office cleaning for a \$7,200 annual savings. A second "on-call" assignment was cut, saving \$5,200 yearly; and employees with company vehicles no longer take them home unless they are on call. Other savings included Mr. Rolwing's assumption of the General Manager position at no salary increase, the resignation (without replacement) of the golf course maintenance person and other office procedures streamlining for a total annual savings of \$330,588. **MSC: L.Brecht/Estep approving revisions in Personnel Policy #112 and #302 as proposed.**

G. Discussion and possible action to give direction to General Manager for casting vote for ACWA and LAFCO: **MSC: L.Brecht/Shimeall directing the General Manager to cast votes for ACWA and LAFCO on behalf of the District.**

H. Consideration of approval of sewer transfer from Richard Tynan to Borrego Art Institute. All fees have been paid and paperwork is in order: **MSC: L.Brecht/M.Brecht approving sewer transfer from Richard Tynan to Borrego Art Institute.**

I. Discussion of cost saving items: This item was covered under Item IV.F.

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Lyle Brecht reported that he had the draft of the final audit, and the committee would be meeting within the next few weeks.

2. Due-Diligence

No report.

3. Strategic Planning Committee

This was covered earlier in the meeting.

4. IRWM Committee

The Strategic Planning Committee has been working with the IRWM. **MSC: L.Brecht/Estep disbanding the IRWM Committee.**

5. Executive Committee (Cameron)

President Hart reported that the committee was continuing negotiations and working on document preparation.

6. Operations & Management Committee

This was covered earlier in the meeting.

7. Asset Ad Hoc Committee

With Director Shimeall's resignation, President Hart will participate on the committee until a new Board member is appointed. This next meeting is scheduled for October 6 at 9:00 a.m. President Hart suggested inviting Mr. McNatt.

VI. STAFF REPORTS

A. Water and Wastewater Operations Report – July and August 2011: Mr. Rolwing reported that in August a breaker blew on Well 4. The cause has not been determined.

B. Water Production/Use Records – July and August 2011:

In response to Director Marshal Brecht, Mr. Rolwing confirmed that water use in ID 1 declined due to the closure of the golf course.

VII. INFORMATIONAL ITEMS

After discussion, it was agreed to run the same ad used last time there was a vacancy on the Board, set a November 10 deadline and interview the applicants at the November 16 Board meeting.

VIII. CLOSING PROCEDURE

Adjournment. There being no further business, the meeting adjourned at 1:05 p.m. The next Special Meeting of the Board of Directors is scheduled for October 18, 2011 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for October 26, 2011 at the Borrego Water District.