

Borrego Water District
CORRECTED MINUTES
Regular Meeting of the Board of Directors
Wednesday, December 14, 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, Delahay

Absent: Estep

Staff: Jerry Rolwing, General Manager
Kim Pitman, Administration Manager
Diana Del Bono, Administrative Assistant
Lisa Foster, McDougal Love Eckis Beohmer & Foley (via teleconference, closed session only)
Wendy Quinn, Recording Secretary

Public: Carey Blakely, *Borrego Sun* Steven McQuerry, SolarCity
Julian Peabody Wes Borman, SolarCity
Ray Shindler Dan Leidecker
Jack Kuhrts Dick Walker

D. Approval of Agenda: *MSC: L.Brecht/M.Brecht approving the Agenda as amended (deleting Item II.B at Lane Sharman's request and combining the Audit Committee report with Item II.E).*

E. Approval of Minutes:

Special meeting of November 1, 2011

MSC: L.Brecht/Delahay approving the Minutes of the Special Meeting of November 1, 2011 as written.

Regular meeting of November 16, 2011

MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of November 16, 2011 as amended (deleting the phrase "with comparisons to other districts' rates" from Bob McKee's comments in Item I.G and amending the title of Item II.F to read in part, ". . . to allow for RMC's additional work and meetings").

Wendy Quinn announced she had reconsidered her resignation and would continue as Recording Secretary with the Board's concurrence.

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

G. Comments from the Public and Requests for Future Agenda Items: Jack Kuhrts requested the Board's consideration of a solar project at Well #12. The matter will be placed on the next Agenda, and Mr. Kuhrts was requested to submit a written proposal.

H. Correspondence:

Letter from JPIA

The District has received another Low Loss Ratio award from the Joint Powers Insurance Authority, thanks to Greg Holloway's good work in the safety program.

I. Staff Reports:

A. Financial Reports – November 2011

Kim Pitman reported current assets (cash and cash equivalents) of \$54,147.80.

B. Manager/Operations Report

In response to Director Marshal Brecht's inquiry, Jerry Rolwing agreed to obtain more information regarding the Bureau of Reclamation's request for an additional \$20,000 for USGS staff time to use the model for climate change.

Julian Peabody suggested that staff prepare a chart summarizing the status of the District's various grants and grant applications.

Director Lyle Brecht requested that the issue of possible tamarisk removal in the area of the County Club tank be placed on the next workshop Agenda. President Hart requested a cost estimate.

Director Lyle Brecht requested the titles of the participants in the Reclamation meeting.

J. Attorney's Report: None

II. CURRENT BUSINESS MATTERS

A. Solar Power Purchase Agreement presentation by Steven McQuerry of SolarCity: Steven McQuerry presented a slide show outlining SolarCity's services in financing, integrating, design, installation, monitoring and maintenance of solar facilities. He expected that a solar system at the wastewater treatment plant would be an ultimate cost saving for the District. As an alternative to direct purchase of the system, SolarCity offers a Power Purchase Agreement (PPA) plan, whereby the company would own the asset and maintain it for 20 years for a monthly fee. The proposal will be on the next workshop agenda for further consideration.

President Hart declared a recess at 10:35 a.m., and the Board reconvened at 10:45 a.m.

B. Proposal from Lane Sharman for solar site investigation in the amount not to exceed \$12,000: This item was removed at Mr. Sharman's request.

C. Discussion and possible approval of Joint Funding Agreement. Amendment number 4 with U.S. Geological Survey: The Board asked that Mr. Rolwing investigate questions about the costs reflected in the proposed agreement and report back.

D. Discussion and possible approval for the Due Diligence Committee to research the cost/benefits of Automated Meter Reading (AMR), and accounting and billing software upgrade: After discussion, the Board agreed to refer this item to the Operations and Management Committee, rather than Due Diligence. Director Delahay will replace President Hart as a member of the Operations and Management Committee. Mr. Rolwing reported that meters in need of replacement are being replaced by meters compatible with AMR. President Hart asked him to find out how many remain to be upgraded. ***MSC: M.Brecht/Delahay requesting the Operations and Management Committee to research the cost/benefits of Automated Meter Reading (AMR), and accounting and billing software upgrade.***

E. Discussion and possible approval to extend Audit Committee work to prepare for FY 2012 audit and improved financial reporting format: ***MSC: L.Brecht/M.Brecht extending the Audit Committee work to prepare for FY 2012 audit and improved financial reporting format.***

F. Discussion and possible approval for the General Manager to present a report on possible emergency funding mechanisms at the February Board workshop: ***MSC: L.Brecht/M.Brecht requesting the General Manager to research options for possible funding mechanisms and report to the Due Diligence Committee.***

G. Discussion and possible action on upcoming grant funding opportunities with Bureau of Reclamation and Department of Water Resources local groundwater systems: Mr. Rolwing announced that applications for the WaterSMART water and energy efficiency grants are due January 19, 2012. He recommended applying in 2013 for this, but pursuing a Local Groundwater Assistance Grant now. This application will probably be due in March or April. He suggested the funds could be used for an additional

site for the CASGEM program. The matter was referred to the Operations and Management Committee for further study.

H. Discussion of moving the Special meeting (workshop) from Tuesdays to Wednesday: After discussion, the Board decided to keep the special meetings (workshops) on Wednesdays because of the Agenda deadline for the next week's regular meeting.

III. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

This report was presented earlier in the meeting.

2. Due-Diligence

This report was presented earlier in the meeting.

3. Strategic Planning Committee/IRWM

The Strategic Planning Committee/IRWM report was included in the Board Package. The Committee met yesterday.

4. Executive Committee

No report.

5. Operations & Management Committee

No report.

6. Asset Ad Hoc Committee

No report.

7. Christmas Circle Committee

LAFCO has not yet responded to President Hart's inquiries regarding park powers.

8. Negotiating (Montesoro)

No report.

IV. STAFF REPORTS

A. Water and Wastewater Operations Report – November 2011:

B. Water Production/Use Records – November 2011:

The staff reports were included in the Board Package.

V. INFORMATION ITEMS

A. BWD Holidays for 2012: A list of the BWD holidays for 2012 was included in the Board Package.

VI. CLOSED SESSION

A. Conference with Legal Counsel – Existing Litigation Government Code 65956.9(a), *Santa Fe Patio HOA v. GHLA Montesoro Investors*, Case Nos. 37-2010-00012982-SC-SC-NC; 37-2010-00012928-SC-SC-NC; 37-2010-00012927-SC-SC-NC; 37-2010-00012926-SC-SC-NC; 37-2010-00012925-SC-SC-NC; 37-2010-00012924-SC-SC-NC; 37-2010-0001-2923-SV-SC-NC; 37-2010-00012922-SC-SC-NC; 37-2010-00012921-SC-SC-NC: The Board adjourned to closed session at 11:35 a.m. The open session reconvened at 12:00 p.m. There was no reportable action.

VII. CLOSING PROCEDURE

Adjournment. There being no further business, the meeting adjourned at 12:00 p.m. The next Special Meeting of the Board of Directors is scheduled for January 17, 2012 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for January 25, 2012 at the Borrego Water District.