

Borrego Water District
MINUTES
Special Meeting of the Board of Directors
February 14, 2012
9:00 a.m.
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, Estep
- Staff: Jerry Rolwing, General Manager
Lisa Foster, McDougal Love Eckis Boehmer & Foley
Wendy Quinn, Recording Secretary
- Public: Dick Walker Jim Engelke
Casey Jones, *Borrego Sun* Jane Morley, Borrego Springs Development
Bill Wright Kimberly Huangfu
Duane Young Duane Young, Cocopah
Tom Williamson

D. Approval of Agenda: Director Lyle Brecht requested the addition of Item II.C, Potential Items for Business Meeting. Director Marshal Brecht agreed to consult Kim Pitman as to whether to include discussion of the cash flow report. ***MSC: L.Brecht/Estep approving the Agenda as amended.***

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

F. Comments from the Public and Requests for Future Agenda Items: Jane Morley requested a review of flood control issues in Borrego Valley, specifically removal of the current freeze on development. President Hart informed her that it was on today's IRWM Agenda. Jerry Rolwing suggested inviting a representative of County Flood Control to the next Board meeting and will contact him. Bill Wright reported on a meeting between local developers and flood engineers. He suggested hiring an advocate to represent Borrego Springs, hopefully funded in part by grant money and assisted by individual contributions. Site Design's estimate for one year is \$50,000. Director Lyle Brecht expressed support for the proposal in concept and agreed to bring it up at the IRWM meeting. Mr. Rolwing explained that the development freeze resulted from changes to FEMA standards and the County's current efforts to amend its regulations in compliance.

II. CURRENT BUSINESS MATTERS

A. Discussion of managed basin: Lisa Foster summarized her memo of December 12 regarding Special Act Legislation, water extraction fees and their collection. Issues include regulation of extraction and the ability to collect via the lien process. She felt legislation authorizing imposition of a groundwater extraction fee and the imposition of a lien on property for unpaid charges would be most beneficial to BWD. Obstacles could include winning public support through an election and/or Proposition 218 process and securing a sponsor for the legislation.

Director Lyle Brecht pointed out that our basin's groundwater can be brought into balance either by reducing withdrawals or importing water. We have a choice of doing nothing, studying the issue without taking effective action, or managing the basin. Director Lyle Brecht felt the third option was the only method proven effective in addressing overdrafts. He presented cost and time estimates for establishing a managed basin through legislation, negotiated settlement or adjudication, suggesting that the Board develop a planning strategy working with the IRWM. A draft presentation for the Town Hall

Meeting was distributed, and Director Lyle Brecht hoped to discuss it at the next Board meeting. Director Estep agreed to work with Director Lyle Brecht to develop a draft policy for the Board's consideration.

Director Lyle Brecht asked the other Directors if the Board's objective is to be cash neutral for 2012 (same amount of cash at the beginning and end of the year), and all agreed that it is.

B. Review of Final Stag Report: Mr. Rolwing invited the Board's attention to the Final Stag Report in the Board Package. The report, funded by an EPA grant, considered the feasibility of an importation pipeline. The conclusion was that importation was not advisable because of the cost, lack of long-term security and the slim chance of acquiring a partner wanting water storage in Borrego Springs. Director Lyle Brecht requested that instead of stating, "One can conclude from this study . . .," the report be worded, "Based upon the conclusions of the study, one can infer" He pointed out that detailed economic data were not included to support the assertion that importation was too costly. The Board received the report with Director Lyle Brecht's amendment.

C. Potential Items for Business Meeting: Included in the next Agenda will be the draft strategy for pursuing a managed basin and hopefully a presentation from County Flood Control. Director Estep and Ms. Foster requested the name of the County Counsel representative involved in preparation of the water credit MOU.

III. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting adjourned at 10:45 a.m. The next Regular Meeting of the Board of Directors is scheduled for February 22, 2012 at the Borrego Water District.