

**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Wednesday, June 19, 2012
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, Estep
- Staff:** Jerry Rolwing, General Manager
 Kim Pitman, Administration Manager
 Lisa Foster, McDougal Love Eckis Boehmer & Foley
 Wendy Quinn, Recording Secretary
- Public:** John Peterson Nicole Martin, AAWARE
 Mary Delaney John Delaney
 Dick Walker Lucy Larson
 Casey Jones, *Borrego Sun* Bob McKee
 Claudia Faunt, USGS (via Mike Wright, USGS (via
 teleconference, Item II.A) teleconference, Item II.A)

D. Approval of Agenda: *MSC: L.Brecht/Estep approving the Agenda as written.*

E. Comments from Directors and Requests for Future Agenda Items: In response to Lucy Larson's prior inquiry about economic comparisons of agriculture in Borrego Valley to other industries, Director Lyle Brecht presented statistics from an economist who has been retained by the California State Parks. The Anza Borrego Desert State Park generates 500,000 to 1 million visitors annually. The "visitor expenditure profile" is approximately \$100 each, which yields \$40 to \$50 million annually. Statistics from agriculture will be sought.

F. Comments from the Public and Requests for Future Agenda Items: Bob McKee requested the opportunity to address Agenda Items II.B and C.

II. CURRENT BUSINESS MATTERS

A. Overview of Borrego Valley Water Quality Report by Michael Wright USGS. Report can be found at the following link <http://pubs.usgs.gov/ds//659/>. Copy will be available to view at the Borrego Water District: Michael Wright and Claudia Faunt joined the meeting via conference call. Jerry Rolwing summarized the Groundwater Ambient Monitoring Assessment (GAMA) program, which assesses water quality in the desert. The Borrego Valley has one of the best quality ratings in the study. Mr. Wright noted that there were some high TDS measurements and traces of chloroform and radiological constituents, but there was little cause for concern. John Peterson asked whether we should be concerned about water quality changes in the future, and Mr. Wright replied that depth dependent sampling, which could be covered by a DWR grant, would address this. Claudia Faunt had done some relevant research and agreed to include it in the model.

B. Discussion of correspondence from Lucy Larson: Lucy Larson applauded the Board's efforts to increase reserves but expressed concern regarding the declining aquifer and urged reconsideration of the mitigation program. President Hart informed her that an ad hoc committee is addressing this. Hopefully some costs will be shifted away from the current ratepayers onto developers. In response to Ms. Larson's concern about the golf course lakes at Rams Hill, Director Estep explained that as a condition of the potential partial sale of Well 12, they would be restricted to one irrigation lake. Mr. Rolwing added that proceeds from the sale will defray future capital improvement costs. Ms. Larson suggested asking District employees to contribute eight percent toward pension costs instead of the current four percent, and expressed concern regarding agriculture's participation in the IRWM grant application and perceived lack of representation for the ratepayers. President Hart urged her to join with other ratepayers and participate in the IRWM program as a stakeholder. John Delaney recommended legal action against the agricultural community. Director Estep disagreed, citing the high cost and need for cooperation. Bob McKee shared concerns regarding the IRWM process, and President Hart offered to discuss the issues with him outside the Board meeting.

C. Discussion and possible approval of FY2013 budget, water and sewer rates: Lisa Foster explained that the Board could approve the budget today, but not the rates. They need to be noticed for hearing and then considered for adoption 30 days later. Mr. McKee pointed out that the proposed rates had been increased over the amount approved at the 218 hearing last year, and a year had been added to the schedule. Kim Pitman explained that the additional year had been removed and adjustments were being made to the proposed rates.

Discussion followed regarding whether to make the same adjustments to the base water rate, commodity rate and sewer rate or vary them. Mr. McKee cited lower base rates in neighboring communities and reiterated his support for the application of tiered rates to commercial and irrigation customers. Director Delahay pointed out that many districts have higher rates than ours, but were not included in Mr. McKee's statistics.

Further discussion ensued as to the amount of the rate increases. Opinions varied among 20 percent, 30 percent or somewhere in between. ***MSC: Estep/M.Brecht recommending a 20 percent increase in all rate categories, to be noticed for hearing and considered for final adoption 30 days later.***

President Hart invited questions regarding the proposed FY 2013 budget. ***MSC: M.Brecht/Estep approving the FY 2013 budget as presented in the Board package.***

The Board considered options for publicizing the hearing on the proposed rate increase. A notice will be included in the July 5 issue of the *Borrego Sun*, and Mr. Rolwing suggested a notice could also be printed on the bills. Ms. Foster stated that the amount of the increase does not have to be included in the hearing notice, but it may be.

D. Discussion and possible approval of RESOLUTION 2012-06-02 AUTHORIZING SUBMITTAL OF APPLICATION AND RELATED DOCUMENTS TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES TO OBTAIN A LOCAL GROUNDWATER ASSISTANCE GRANT PURSUANT TO THE SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006 (PUBLIC RESOURCE CODE SECTION 75001 et seq.), AND TO ENTER INTO AN AGREEMENT TO RECEIVE A GRANT FOR THE PROJECT: Mr. Rolwing reported that he and Mr. Peterson had developed a basic plan to check water quality at certain sites and compile the results with existing data. They hope to obtain a Local Groundwater Assistance Grant and would work with USGS, DWR and a

geology consultant. *MSC: L.Brecht/Delahay adopting Resolution 2012-06-02 authorizing submittal of application and related documents to the California Department of Water Resources to obtain a Local Groundwater Assistance Grant pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code section 75001 et seq.), and to enter into an agreement to receive a grant for the project.*

E. Discussion of potential agenda items for June 27th board meeting: Diana Del Bono presented a proposed Agenda. Mr. Rolwing reported that Lane Sharman had requested an opportunity to speak to the Board regarding long term sustainability through a services contract for solar energy, as well as aquifer sustainability authority for managing the Borrego Valley Groundwater Basin. The Board agreed to refer the solar energy item to committee and put the aquifer sustainability authority on the agenda. Mr. Rolwing agreed to schedule a committee meeting with Mr. Sharman after the Board meeting. Mr. Rolwing requested the addition of the updated backflow prevention policy. Potential items for July were discussed, including developers' fees, trash collection, budget resolutions and sale of District property.

III. CLOSED SESSION

A. Public employee discipline/dismissal/release - reference Government Code § 54957: The Board adjourned to closed session at 12:15 p.m., and the public meeting was reconvened at 1:15 p.m. There was no reportable action.

IV. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting was adjourned at 1:15 p.m. The next Regular Meeting of the Board of Directors is scheduled for June 27, 2012 at the Borrego Water District.