

Regular meeting of May 23, 2012

MSC: Estep/M.Brecht approving the Minutes of the Regular Meeting of May 23, 2012 as corrected (changing Item III.8 to read, "Director Estep reported that the Committee he met with homeowners . . . ," and Item II.B to read, ". . . an effort to reduce the future decline in water levels"

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

G. Comments from the Public and Requests for Future Agenda Items: Bob McKee distributed written material from IRWM showing meetings continuing into 2014. This had been subject to disagreement at a prior meeting. Secondly, he urged the implementation of best management practices for commercial and irrigation customers as contemplated when tiered rates were adopted in 2007.

Dennis Daoust requested modification of his four-year average water use to keep him from being charged at a higher tier. He pointed out that summer rains occurred in each of these years, which is unusual, and he turned his irrigation off to conserve water. The matter was referred to the Operations and Management Committee.

H. Correspondence:

Letter from L. Larson

Lucy Larson thanked the Board for addressing her concerns at the last meeting.

Letter from B. Davis

Bill Davis complimented the District on the condition of Club Circle Golf Course.

I. Staff Reports:

A. Financial Reports - May 2012: Kim Pitman summarized the Financial Reports and offered to answer questions.

B. Manager/Operations Report: Mr. Rolwing invited the Board's attention to his written report in the Board package, particularly the summary of his meeting with Dustin Steiner of Supervisor Horn's office.

J. Attorney's Report: Mr. Rolwing reported that Lisa Foster had been informed by LAFCO that they have nothing to do with establishment of a managed basin.

II. CURRENT BUSINESS MATTERS

A. Presentation by Lane Sharman concerning an Aquifer Sustainability Authority for managing the Borrego Valley Groundwater Basin: Lane Sharman presented a proposal to achieve aquifer sustainability by establishing an authority, empowered by a vote of the people, to sell allowances and then provide a secondary market for the exchange of allowances. It would be funded by a one-time property tax and the sale of allowances.

B. Discussion and possible decision regarding beginning FY 2013 rate adjustments either with the August 2012 billing or the September 2012 billing: Mr. Rolwing explained that due to the meter reading schedule and the requirement to wait 30 days after public notice before implementing new rates, the 20 percent increase would not take effect until September. Notice of the July hearing was included in the current billing. Consideration of a change in the meter reading schedule will be included on the November Agenda.

C. Review of Adopted Budget package: Ms. Pitman invited the Board's attention to the adopted budget, which was included in the Board package. Figures had been updated per last week's discussion. Director Marshal Brecht requested that column F, line 4 (Projected FY 2016-17, Prop 218 Approved Revenue Increases) on Board package page 74 be changed to 0%.

D. Review of Special Assessments and Administration Report for Fiscal Year 2012-2013 prepared by David Taussig and Associates, Inc. for CFD No. 2007-1 presented by Andrea Roess: Ms. Roess presented a summary of the Community Facilities District tax revenues and other assessments such as fixed availability charges. Board approval is requested annually, and the proposed resolutions are essentially the same as last year's. She pointed out that the CFD continues to have a number of delinquencies, missed bond payments and foreclosures.

E. Consideration and Approval of Resolution 2012-6-3 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY:

F. Consideration of RESOLUTION NO. 2012-6-4 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATIONS AND MAINTENANCE OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON LAND WITHIN THE DISTRICT FOR THE FISCAL YEAR 2012-2013:

G. Consideration of RESOLUTION NO. 2012-6-5 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COSTS OF OPERATIONS AND MAINTENANCE OF THE DISTRICT, AND TO PAY COSTS OF OPERATIONS AND MAINTENANCE FOR IMPROVEMENT DISTRICT NO. 1 AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT DISTRICT NO. 1 FOR THE FISCAL YEAR 2012-2013:

H. Consideration of RESOLUTION NO. 2012-6-6 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF PROVIDING PEST CONTROL SERVICES BY THE DISTRICT AND REQUESTING LEVY AND COLLECTION OF SAID CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2012-2013:

I. Consideration of RESOLUTION NO. 2012-6-7 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATING AND MAINTAINING THE WATER FACILITIES WITHIN IMPROVEMENT DISTRICT NO. 3 OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2012-2013:

J. Consideration of RESOLUTION NO. 2012-6-8 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT 2007-1 OF THE BORREGO WATER DISTRICT AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2007-1 FOR THE FISCAL YEAR 2012-2013:

MSC: Estep/M.Brecht adopting Resolution 2012-6-3, Resolution Of The Board Of Directors Of The Borrego Water District Restating And Adopting A Statement Of Investment Policy; Resolution No. 2012-6-4, Resolution Of The Board Of Directors Of The Borrego

Water District, San Diego County, California, Levying Standby Charges And/Or Acreage Assessments To Defray The Cost Of Operations And Maintenance Of The District And Requesting The Levy And Collection Of Said Standby Charges And/Or Acreage Assessments On Land Within The District For The Fiscal Year 2012-2013; Resolution No. 2012-6-5, Resolution Of The Board Of Directors Of The Borrego Water District, San Diego County, California, Levying Standby Charges And/Or Acreage Assessments To Defray The Costs Of Operations And Maintenance Of The District, And To Pay Costs Of Operations And Maintenance For Improvement District No. 1 And Requesting The Levy And Collection Of Said Standby Charges And/Or Acreage Assessments On Certain Land In Improvement District No. 1 For The Fiscal Year 2012-2013; Resolution No. 2012-6-6, Resolution Of The Board Of Directors Of The Borrego Water District, San Diego County, California, Levying Charges And/Or Acreage Assessments To Defray The Cost Of Providing Pest Control Services By The District And Requesting Levy And Collection Of Said Charges And/Or Acreage Assessments For The Fiscal Year 2012-2013; Resolution No. 2012-6-7, Resolution Of The Board Of Directors Of The Borrego Water District, San Diego County, California, Levying Standby Charges And/Or Acreage Assessments To Defray The Cost Of Operating And Maintaining The Water Facilities Within Improvement District No. 3 Of The District And Requesting The Levy And Collection Of Said Standby Charges And/Or Acreage Assessments For The Fiscal Year 2012-2013; and Resolution No. 2012-6-8 Resolution Of The Board Of Directors Of The Borrego Water District Acting As The Legislative Body Of Community Facilities District 2007-1 Of The Borrego Water District Authorizing The Levy Of Special Taxes Within Community Facilities District No. 2007-1 For The Fiscal Year 2012-2013.

III. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Marshal Brecht announced that the Audit Committee would be meeting today.

2. Due-Diligence

No report.

3. Strategic Planning Committee/IRWM

Director Lyle Brecht reported that the Committee was awaiting a decision on the IRWM Planning Grant application.

4. Executive Committee

No report.

5. Operations & Management Committee

Mr. Rolwing announced that the Operations & Management Committee would be meeting today regarding a proposal from Mr. Sharman relative to solar energy.

6. Asset Ad Hoc Committee

Director Marshal Brecht reported that the Committee was preparing paperwork for the sale of District property at Clark Lake. Mr. Rolwing has inspected the property, and the matter will be on the Board Agenda in July.

7. Christmas Circle Committee

No report.

8. Negotiating (Rams Hill)

Mr. Rolwing recommended scheduling a conference call with Ms. Foster, who has been conferring with Allison Burns.

9. Development Committee

Director Lyle Brecht announced that the Development Committee would report to the Board in July.

IV. STAFF REPORTS

A. Water and Wastewater Operations Report - May 2012:

B. Water Production/Use Records - May 2012:

Mr. Rolwing noted that two months' data had been added to the Water Production/Use Records.

V. INFORMATION ITEMS

None

VI. CLOSED SESSION

A. Conference with Legal Counsel - Existing Litigation Government Code 54956.9(a):

Santa Fe Patio HOA v. GHLA Montesorro Investors

Case Nos. 37-2010-00012982-SC-SC-NC; 37-2010-00012928-SC-SC-NC; 37-2010-00012927-SC-SC-NC; 37-2010-0001-2926-SC-SC-NC; 37-2010-00012925-SCSC-NC; 37-2010-00012924-SC-SC-NC; 37-2010-00012923-SC-SC-NC; 37-2020-00012922-SC-SC-NC; 37-2010-00012921-SC-SC-NC

The Board adjourned to closed session at 10:30 a.m. The open session reconvened at 10:45 a.m. There was no reportable action.

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:45 a.m. The next Special Meeting of the Board of Directors and Public Hearing regarding Adjustment of Water and Sewer Rates for FY 2013 is scheduled for July 17, 2012 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for July 25, 2012 at the Borrego Water District.