

**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Wednesday, July 17, 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
Morton Park, McDougal Love Eckis Boehmer & Foley
Wendy Quinn, Recording Secretary

Public: Stuart Gilbertson, USA Comm. Nicole Martin, AAWARE
Jim Engelke Dick Walker
Casey Jones, *Borrego Sun* Katie Wilhelm
Brett Boynton, Hacienda Del Sol Robert Wilhelm
Tom Allen

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

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

F. Comments from the Public and Requests for Future Agenda Items: Stuart Gilbertson of USA Communications requested an opportunity to address the Board regarding location of a tower and microwave dish on District property at Rams Hill to improve Internet access. Jerry Rolwing will work with Lisa Foster to prepare an item for next week's Agenda and follow up with the County on their prior inquiry concerning the property.

II. CURRENT BUSINESS MATTERS

A. Public Hearing to hear testimony regarding the proposed water and sewer rate changes and consider adoption of **RESOLUTION 2012-07-01 ESTABLISHING WATER AND SEWER SERVICE RATES FOR FY2012-2013:** President Hart opened the public hearing at 9:05 a.m. Mr. Rolwing reported that Thomas Walker had written a letter to the District dated July 9, 2012, strongly protesting any increase in water rates. He felt the Board was penalizing ratepayers for financial decisions made by the prior Board. Brett Boynton of Hacienda Del Sol Motel concurred.

President Hart summarized the challenges faced by the current Board as a result of reserve funds expended by the prior administration and pending contracts committing future funding. Consequently, it has been necessary to reduce spending and increase rates. She summarized the budget cuts, reduction in staff and contract renegotiation. A ten-year plan is underway to return the District to a credit-worthy condition. Through a Proposition 218 proceeding last year, the Board secured public approval for an 85 percent increase over five years. Although a 30 percent increase was contemplated for 2012-13, after deliberation and public input the Board recommended 20 percent.

Director Lyle Brecht explained that his decision to increase rates was based on the assumptions that things should work, people should remain healthy, ratepayers should be treated

fairly and equally and life should go smoothly. Due to necessary expenses for operations and maintenance, repair and replacement, failure to raise rates would pose an unacceptable risk.

Director Estep expressed his support for the 20 percent increase from the inception of the deliberations.

Director Delahay pointed out that the cost of everything typically increases yearly, and noted that customers in San Diego and most other districts in the area pay twice as much or significantly more than the BWD ratepayers.

Hearing no further testimony, President Hart closed the public hearing at 9:25 a.m.

MSC: Delahay/Estep adopting Resolution 2012-07-01 Establishing Water and Sewer Service Rates for FY2012-2013. RC: AYES - Delahay, Estep, L. Brecht, M. Brecht, Hart.

B. Discussion and possible action of RESOLUTION 2012-07-02 AUTHORIZING THE SALE OF REAL PROPERTY OWNED BY THE DISTRICT LOCATED AT BORREGO SALTON SEAWAY (COUNTY ROAD S-22) TO ANZA BORREGO FOUNDATION: Director Marshal Brecht reported that the Anza Borrego Foundation had offered \$400 per acre for the District property at Borrego Salton Seaway, but to date he had not received a copy of the appraisal. ***MSC: Estep/L.Brecht continuing the matter to the next Board meeting.***

C. Discussion and possible approval of relinquishing trash services for the CSD: Kim Pitman explained that the District collects a fee for trash collection in ID 5 as part of the water bill, because that was included by the Community Services District before its merger with BWD. The District would like to remove itself from the service and have residents contract directly with the provider. Proposals have been requested from Allied Waste (the current provider) and Ramona Disposal. Issues include whether a blanket contract would be available to the individual homeowners or just the condominiums; and if the District continues its involvement, whether a rate increase from the provider could be passed along to the customers without a 218 process. Another problem has been the failure to obtain a copy of the current Allied Waste contract. Director Estep noted that Abby King, Homeowners' Association President, had informed him that most residents opposed the removal of BWD from the process because their trash collection rates would increase. After discussion, the Board agreed to place the matter on the September Agenda. Meanwhile, Mr. Rolwing will seek public input, working with Ms. King, and counsel will write to Allied Waste requesting a copy of the current contract.

D. Discussion of potential agenda items for July 25th board meeting: Diana Del Bono reviewed the draft Agenda, which included a draft Procurement Bid Policy (recommended by the auditors and delayed to September due to Ms. Foster's absence), a progress report from the Development Committee (David Dale and Ms. Foster to participate, perhaps by teleconference), cancellation of August Board meetings, sale of District property (continued from today), and request from USA Communications (first under Current Business; counsel to draft a resolution).

III. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting was adjourned at 9:55 a.m. The next Regular Meeting of the Board of Directors is scheduled for July 25, 2012 at the Borrego Water District.