

I. Staff Reports:

A. Financial Reports - October 2012: Kim Pitman reported that water revenues continued to be slightly lower than usual. Approximately \$30,000 has been spent on repairs to Well 11, and the total upon completion is expected to be \$60,000 to \$70,000.

President Hart reported that the agreement with the County for the purchase of District real property had been signed, and they are awaiting approval of the September Minutes before making payment.

B. Manager/Operations Report: Mr. Rolwing reported on repairs to Wells 11 and 5. Representatives of the Bureau of Reclamation will visit the District on December 11 to discuss the status of the Basin Study.

J. Attorney's Report: None

II. CURRENT BUSINESS MATTERS

A. Discussion of the DRAFT County GW Ordinance and MOA: Ms. Foster explained that the County and the District have been trying to create conformity between their respective groundwater mitigation programs. The new draft County Ordinance provides flexibility by accepting any other legally enforceable mechanism to achieve water savings, and it appears they will accept our existing water credits.

President Hart questioned section B.1.a.ii, Ordinance page 5/Board package page 31, providing "An easement shall . . . prohibit the use. . of groundwater on the property subject to the easement, except for: . . . A subsequent project on the land subject to the easement that would require discretionary approval for the County if groundwater use reduction measures are implemented that fully offset the amount of groundwater that the proposed project would use. . ." She questioned a subsequent use of fallowed ground for a project such as a smaller residence or a solar farm.

At 9:30 a.m., Jim Bennett and Heather Lingelser from County Planning and Development Services joined the meeting by teleconference. Mr. Rolwing relayed President Hart's question concerning section B.1.a.ii. Mr. Bennett referred to the MOA, Board package page 36, section 3.a.ii, which explained that "discretionary approval by the County if groundwater use reduction measures are implemented that would fully offset the amount of groundwater that the project would use" would be an exception to the requirement for the easement to permanently eliminate the use of groundwater.

Mr. Bennett explained that the District's water credit program had been developed to address the mitigation needs of smaller projects. Discussion followed regarding a change in use on agricultural land requiring more water, for example the conversion of a potato farm to citrus. Mr. Bennett stated that under current County policy, this could be done without mitigation.

The Ordinance will be before the Board of Supervisors on January 9, and Mr. Bennett hoped to have the MOA signed by the District before then. President Hart asked that it be put on the December 12 Agenda. Ms. Lingelser noted that a second reading before the Board of Supervisors would occur on January 30, and the Ordinance would take effect 30 days thereafter.

B. Discussion of DRAFT New Development Policy revisions: Director Lyle Brecht summarized his research into questions that arose concerning the New Development Policy and Water Credits Policy. The Developer's Impact Fee for Water Supply is legal, but it is preferable to remove it from the New Development Policy and address it in the context of changes to the District's Water Credits Policy. The District has authority to regulate groundwater in the Basin. Referring to the draft New Development Policy, Jim Engelke noted that section 2(f) on Board package page 43 should provide for the Availability Letter to be revoked unless the developer enters into contract with the District and pays all fees within one year (rather than 120 days). On Board package page 46, section 6(a), the discussion of the 5-EDU County threshold for major

subdivision sewer service should cite the California Subdivision Map Act. On Board package page 49, section 12(b), the inadvertent reference to Franklin or Marion County should be corrected.

C. Review of DRAFT Water Credit Policy revisions to conform to County GW ordinance and MOA: President Hart read a letter from Lane Sharman opposing the proposed change from 2:1 to 1:1 mitigation. Dennis Dickinson e-mailed his support for Mr. Sharman.

D. Discussion and possible approval of Agreement for Geohydrologic Consulting Services: *MSC: L.Brecht/Delahay approving the Agreement with Geoscience Support Services, Inc., subject to updating the expiration date of the Schedule of Hourly Rates (Exhibit A, now valid through December 31, 2012); and authorizing Mr. Rolwing to sign the Agreement.*

E. Discussion and possible approval of Notice of Intent to remove delinquent special tax installments from the tax roll Community Facilities District no. 2007-1 of the Borrego Water District: *MSC: L.Brecht/M.Brecht approving the Notice of Intent to remove delinquent special tax installments from the tax roll, Community Facilities District No. 2007-1 of the Borrego Water District.*

F. Discussion and possible approval of RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE BORREGO WATER DISTRICT ORDERING JUDICIAL FORECLOSURE OF DELINQUENT SPECIAL TAXES PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AND ORDERING THAT THE TAX COLLECTOR BE CREDITED WITH THOSE SPECIAL TAXES: *MSC: L.Brecht/M.Brecht adopting Resolution of the Board of Directors of the Borrego Water District acting as the Legislative Body of Community Facilities District No. 2007-1 of the Borrego Water District Ordering Judicial Foreclosure of Delinquent Special Taxes Pursuant to the Mello-Roos Community Facilities Act of 19982, and ordering that the Tax Collector be Credited with Those Special Taxes.*

G. Response to Board Request regarding E-Mailing Water Bills: Ms. Pitman reported that Data Stream is unable to e-mail bills. They do have a program that puts bills on the website, but it costs \$12,000 to \$15,000 to install and \$200 a month. Many bills would still have to be mailed. She encouraged customers to use ACH, and will continue to investigate other vendors.

H. Discussion regarding changing the billing period (meter reading dates): After investigation and discussion, Mr. Rolwing and the Board agreed to leave the billing period and meter reading dates as is.

III. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Lyle Brecht recommended that the Board select a 2013 auditor in December or January, and asked that a written report be included for the January workshop.

2. Due-Diligence

No report.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee had been working on the New Development Policy.

4. Executive Committee

No report.

5. Operations & Management Committee

No report.

6. Christmas Circle Committee

This Committee will be renamed the "Park Committee."

7. Negotiating (Rams Hill & cable antenna)

No report.

8. New Development Committee

Discussed earlier in this meeting.

9. Asset Committee

President Hart announced that in the last closed session, the Board agreed to sell a parcel to the County for a tower for \$124,000.

IV. STAFF REPORTS

A. Water and Wastewater Operations Report - October 2012:

B. Water Production/Use Records - October 2012:

Mr. Rolwing referred to the problems with Wells 11 and 5, discussed previously. The water loss has been difficult to track due to sand in the meters but will be resolved once repairs to the wells are complete.

V. INFORMATION ITEMS

A. Bloomberg Water Leadership Forum: Director Lyle Brecht invited the Board's attention to his written summary of a Water Leadership Forum he attended recently. Items of particular interest to Borrego Springs were included.

B. Holiday Schedule: The 2013 District holiday schedule was included in the Board package.

VI. CLOSED SESSION

A. Conference with Legal Counsel - Anticipated Litigation/Significant Exposure to Litigation; Government Code section 54956.9(b), One case:

B. Conference with Real Property Negotiator - Reference Government Code Section 54956.8:

Property:	Rams Hill
District Negotiator:	Negotiating Committee
Negotiating Parties:	Bill Berkley
Under Negotiation:	Price and terms of payment

The Board adjourned to closed session at 10:55 a.m. The open session reconvened at 11:15 a.m. There was no reportable action.

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:15 a.m. The next Regular Meeting of the Board of Directors is scheduled for December 12, 2012 at the Borrego Water District.