

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, January 23, 2013
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 (arrived at 9:50 a.m.)

Staff: Jerry Rolwing, General Manager
 Greg Holloway, Operations Manager
 Kim Pitman, Administration Manager
 Diana Del Bono, Administrative Assistant
 Wendy Quinn, Recording Secretary

Public: Jim Engelke Casey Jones, *Borrego Sun*

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

E. Approval of Minutes:

Special meeting of December 11, 2012

Director Lyle Brecht made the following corrections: Replace all references to the USGS study with the Borrego Springs Pipeline Feasibility Study of February 2012; delete the last portion of the last sentence in the first paragraph of Item II.A, following the word "simultaneously"; amend the second to the last sentence in the third paragraph of Item II.A by adding the words "in the future" at the end; amend the last sentence in the third paragraph of Item II.A to read in part, ". . . federal funding may be ~~is~~-available . . . "; and amend the last sentence on page 1 to read in part, ". . . the viability of a water importation pipeline." ***MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of December 11, 2012 as corrected.***

Regular meeting of December 12, 2012

MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of December 12, 2012 as corrected (amend Item I.H, first sentence, to read in part, ". . . IRWM planning grant application, round 2, . . .")

Special meeting of December 19, 2012

MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of December 19, 2012 as written.

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

G. Comments from the Public and Requests for Future Agenda Items: None

H. Correspondence: **Letter from R. Gage:** Jerry Rolwing reported that Rusty Gage had incurred expenses for plumbing repairs allegedly due to increased water pressure during repairs to Wells 5 and 11 and was requesting reimbursement from the District. Mr. Rolwing invited his attention to the water service agreement that Mr. Gage signed, stating the customer will install and maintain a pressure regulator. Any plumbing repairs on the customer's side of the water meter are the responsibility of the customer unless there are special circumstances.

I. Staff Reports:

A. Financial Reports - December 2012: Kim Pitman invited the Board's attention to construction deposit refunds reflected on Board package page 16. Mr. Rolwing explained that the District requires a deposit from subdivision developers for engineering costs, but if the development does not materialize the money is refunded. In response to Director Marshal Brecht's inquiry about inventory, Greg Holloway explained that prices continue to rise, and government regulations now prohibit the use of lead in fittings, making them more expensive and less durable. AWWA and ACWA are lobbying to change this.

B. Manager/Operations Report: Mr. Rolwing invited the Board's attention to his written report. Director Lyle Brecht asked if he had talked to USDA regarding our cash flow, and Mr. Rolwing agreed to contact them. Mr. Rolwing noted that he had spoken to Dennis Ciocca, who informed him that the State might reconsider an I-Bank loan for the District. Director Marshal Brecht suggested he also ask Mr. Ciocca about a possible refinance of our bonds.

Discussion followed regarding cooperation between BWD and the Community Sponsor Group regarding the County Groundwater Amendment and MOA, BWD's New Development Policy and reduction of farm land.

Mr. Holloway reported that the work on Well 11 is complete and the well should be back on line in the next couple of weeks. Work is continuing on the Wilcox Well.

Mr. Holloway explained problems in ID 5 with water pressure. When BWD merged with the Community Services District, we installed our own pressure regulator, but residents were not required to install their own as others in the District are. Forms will be distributed soon outlining the District's rules and regulations and residents will be asked to sign and return them. Mr. Rolwing noted he would also like to have a backup for the District's pressure regulator, and President Hart asked Mr. Holloway and him to investigate. They will work with David Dale and the Operations and Management Committee.

Director Estep arrived at 9:50 a.m.

J. Attorney's Report: None

II. CURRENT BUSINESS MATTERS

A. Selection of Board officers: *MSC: Estep/Delahay reelecting the current Board officers for another two-year term.*

B. Discussion of DRAFT New Development Policy: Mr. Rolwing reported that the suggestions from the last meeting had been incorporated into the latest draft of the New Development Policy. The Board will be asked to adopt it on February 27, and upon adoption it would become effective May 27.

Copies of the latest draft of the Water Credit Policy were distributed to the Board for discussion at the next meeting. President Hart asked Mr. Holloway to review and comment on both Policies.

C. Discussion and possible approval of an Agreement Concerning the Use of Developer Funds: President Hart explained that Lisa Foster had drafted the proposed agreement to enable developer Bill Berkley to submit funds to the District for expenses associated with the provision of water to the Rams Hill Golf Course. *MSC: Estep/L.Brecht approving the agreement and requesting that it be submitted to Mr. Berkley. If Mr. Berkley fails to approve it, the matter will be referred back to the Negotiating Committee.* Director Lyle Brecht pointed out that the "\$35,000 deposit" provided at the top of Board package page 57 should be \$35,000. He further suggested that the agreement specify that references to "consultants" are to the District's consultants.

D. Discussion of potential auditors for FYE 2014: Ms. Pitman reported that staff had contacted five other small districts and spoken to their auditors. The auditors all submitted proposals, as did our current auditor. Prices ranged from \$14,400 to \$28,000, ours being the highest. Director Marshal Brecht interviewed them and recommended Hosaka Rotherham & Company, which has been auditing Ramona Water District for ten years and also serves eleven other small water districts. The Audit Committee was requested to prepare a proposed agreement with the firm for the Board's consideration at its next meeting.

E. Setting meeting dates for discussion of annual Town Hall meeting: Mr. Rolwing reported that the Town Hall Meeting had been tentatively scheduled for March 27. A Strategic Planning Committee meeting was scheduled for February 13 at 9:00 a.m. to begin planning for it.

III. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Discussed earlier in this meeting.

2. Due-Diligence

No report.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee was continuing discussion of the IRWM process and potential grants, as well as the New Development and Water Credit Policies.

4. Executive Committee

No report.

5. Operations & Management Committee

Mr. Holloway announced he would be scheduling a Committee meeting soon. Director Lyle Brecht suggested that the Committee provide input to the Audit Committee regarding next year's O&M budget. The Audit Committee can then present a proposed budget to the Board for consideration.

6. Parks Committee

No report.

7. Negotiating (Rams Hill)

No report.

8. New Development Committee

Discussed earlier in this meeting.

9. Asset Ad Hoc Committee

Director Lyle Brecht requested a written report on the sale of the antenna site. Who paid and how much?

IV. STAFF REPORTS

A. Water and Wastewater Operations Report - December 2012:

B. Water Production/Use Records - December 2012:

C. Year to Date Meter Installations:

D. Meter Installation History:

In response to Director Estep's inquiry regarding the status of Bob Moore's Club Circle Golf Course groundskeeper contract in light of the Camerons' listing of the property for sale, President Hart understood there was a successor assign clause. Mr. Rolwing will provide her and Director Estep with copies.

Mr. Holloway reported that a BWD employee had obtained his wastewater Grade 2 certification and will eventually be operating the treating plant.

V. INFORMATION ITEMS

None

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:50 a.m. The next Special Meeting of the Board of Directors is scheduled for February 19, 2013 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for February 27, 2013 at the Borrego Water District.