

**Borrego Water District
CORRECTED MINUTES
Regular Meeting of the Board of Directors
Wednesday, April 24, 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

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

Public: Ray Shindler Jan Naragon
John Peterson Ron Del Guercio
Dick Walker

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

E. Approval of Minutes:

Special meeting of March 11, 2013

MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of March 11, 2013 as written.

Special Meeting of March 19, 2013

MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of March 19, 2013 as corrected (Item II.B, last sentence on Board package page 5, ". . . we cannot do so for several more years without a prepayment penalty"; second paragraph, delete the sentence, "The Board agreed to hold off until at least 2014 on sewer rate increases and then consult Raftelis Financial Consultants.")

Regular meeting of March 27, 2013

MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of March 27, 2013 as written.

Town Hall meeting of March 27, 2013

MSC: L.Brecht/Estep approving the Minutes of the Town Hall Meeting of March 27, 2013 as corrected (Board package page 12, Minutes section 7, paragraph 7, ". . . evapo-transpiration impacts the aquifer ~~occurs~~—when plants take water directly from the groundwater table.)

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: Jerry Rolwing had included some historical information from the 1950s on water in the Borrego Valley, provided by Julie Iavelli, in the Board package.

II. CURRENT BUSINESS MATTERS

A. Discussion and potential approval of participation with Steele/Burnand Center regarding National Science Foundation grant: NSF 13-535: Water Sustainability and Climate (WSC) due September 10, 2013: Director Lyle Brecht reported that he had been contacted by a

group associated with the Steele/Burnand Center at the University of California Irvine. They are applying for a grant to study water sustainability and climate, and the Steele/Burnand Center has agreed to serve as the submitting agency. Invited participants include the State Park, Anza Borrego Foundation, BWD and the Borrego Water Coalition. BWD would submit a letter of support. Some expenditure of time would be involved, but no money. ***MSC: L.Brecht/Delahay to direct the Strategic Planning Committee to participate with the Steele/Burnand Center in preparing its NSF WSC grant proposal and submit a letter of support at the appropriate time.***

B. Discussion and possible approval of a workshop regarding the costs/benefits of an adjudication process as a means for establishing an authority to manage the Borrego Valley Groundwater Basin led by Thomas Bunn, III, Lagerlof, Senecal, Gosney, & Kruse on Wednesday, June 19th 1:00 PM at the District's offices: Ray Shindler announced that Thomas Bunn, a water attorney specializing in adjudication, is available to address the Board on June 19 at 1:00 p.m. His fee will be paid by a group of interested ratepayers. The Board agreed to schedule the presentation and may consider moving the monthly workshop to that date. Director Lyle Brecht suggested publicizing the event in the Briefs section of the *Borrego Sun*.

C. Preliminary discussion of FY 2014 budget and proposed rate increase: Ms. Pitman explained that the preliminary budget presented today had been discussed at last week's workshop. The Board still needs to decide on the amount of the rate increase. Discussion followed. Director Lyle Brecht noted that some were concerned about increasing the base meter rate by the full 20 percent allowed. If it were increased by 15 percent, revenue would decrease by approximately \$39,000. The Board agreed that the commodity rates would be increased by approximately 19 percent and sewer rates by 13.75 percent in order to build up cash reserves and establish credit. Director Lyle Brecht pointed out that in fiscal year 2015 we can go through another Proposition 218 process to modify the rate structure. The Board members expressed their views on the meter rate increase, Directors Estep, Marshal Brecht and Lyle Brecht favoring 15 percent; President Hart and Director Delahay favoring 19 percent.

It was agreed that notice of the rate increases would be included in the next billing, and final adoption of the increases and the budget will be considered at the May Board meeting. New rates will be effective July 1 and appear in the August bills. Jan Naragon suggested that the notice be printed in both English and Spanish. Ron Del Guercio suggested that the notice include justification for the increases (need to build up cash reserves and establish credit), and the budget reduction measures that have been implemented. John Peterson emphasized the need for long-term planning.

III. STAFF REPORTS

A. Financial Reports - March 2013: Ms. Pitman offered to answer questions on her written report, included in the Board package.

B. Manager/Operations Report: Mr. Rolwing reported a sewer system failure last Friday. It was repaired quickly and reported to the Regional Board and State as required. Mr. Dale has been designated as a backup contact to Mr. Rolwing in the event this happens again when Mr. Rolwing is out of town, as was the case in this instance.

USA Communications has terminated its antenna site lease, so the District will be losing \$400 per month revenue.

Mr. Rolwing is working with the Regional Board and the County on the Salt Nutrient Management Plan, which relates to septic tanks and agricultural runoff. Mr. Dale will assist. The engineering budget has been increased accordingly. Discussion followed regarding alternatives to cover this cost, including adding \$110,000 to the budget (a bid from Geotech, which will probably not be accepted), an increase in the contingency, or a bid from Mr. Dale.

Director Marshal Brecht suggested a separate line item, and Mr. Rolwing agreed to develop a proposal.

C. Water and Wastewater Operations Report - March 2013:

D. Water Production/Use Records - March 2013:

E. Year to Date Meter Installations:

F. Meter Installation History:

The written reports were included in the Board package.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

No report.

2. Due-Diligence

Director Lyle Brecht reported that the Committee working on water credit pricing and refinancing options.

3. Strategic Planning Committee/IRWM

President Hart reported the Committee had met with the Borrego Water Coalition and was reviewing the RFP for engineering services with Mr. Berkley and other Rams Hill representatives.

4. Executive Committee

No report.

5. Operations & Management Committee

Director Delahay reported that the Committee had considered another solar presentation. The District cannot currently afford it, but prices are coming down. Mr. Rolwing will investigate funding options.

6. Parks Committee

No report.

7. Asset Ad Hoc Committee

No report.

VI. INFORMATION ITEMS

Mr. Peterson asked whether the District had investigated the purchase or surplus solar power. Mr. Rolwing explained that the provider has a contract with San Diego Gas and Electric.

Mr. Peterson inquired about flood control issues with new building permits. Mr. Rolwing replied that the Department of Water and Power is studying the matter. Residential permits are being issued, but not commercial. The Corps of Engineers is working on it, and Mr. Rolwing will follow up.

VII. CLOSED SESSION

A. Public employee discipline/dismissal/release - Reference Government Code § 54957:

The Board adjourned to closed session at 10:25 a.m., and the public meeting reconvened at 10:55 a.m. There was no reportable action.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:55 a.m. The next Regular Meeting of the Board of Directors is scheduled for May 14, 2013 at the Borrego Water District.