

B. Discussion and approval of revision of Policy #2009-09-02 Demand Offset Mitigation Water Credits Policy: The Demand Offset Mitigation Water Credits Policy had been revised slightly to correct some typographical errors and ambiguities. *MSC: L.Brecht/Delahay approving revision of Policy #2009-09-02, Demand Offset Mitigation Water Credits Policy.*

C. Discussion and possible approval of a Letter of Support for the UCI National Science Foundation (NSF) Grant: The University of California, Irvine is requesting a letter of support from BWD for UCI's NSF grant application. The grant would benefit Borrego Springs and would not cost the District. *MSC: L.Brecht/Estep authorizing the General Manager to sign a letter of support for the UCI NSF Grant.*

D. Discussion and possible approval of Resolution #2013-06-02 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY: Kim Pitman explained that this Resolution is adopted annually at the request of the auditors. *MSC: L.Brecht/Estep adopting Resolution #2013-06-02, Resolution of the Board of Directors of the Borrego Water District Restating and Adopting a Statement of Investment Policy.*

E. Presentation of the Due Diligence Committee's analysis of refinancing options and referral to the Negotiating Committee: Director Lyle Brecht reported that if the District refinances the Viking Ranch note, the District will save a net minimum of \$900,000 and up to \$1.2 million. It can likely be refinanced at 3.5 percent with a \$25,000 transaction fee and an additional cash flow of \$50,000 a year over ten years. The Well 12 note could also be refinanced, but that is less critical. The matter was referred to the Negotiating Committee.

F. Consideration of canceling August Workshop and Regular Board meeting: *MSC: L.Brecht/Delahay canceling the August Workshop and Regular Board meeting.*

III. STAFF REPORTS

A. Financial Reports - May 2013: Ms. Pitman reported two extraordinary expenses in May, \$32,000 for a water main break in Palm Canyon and repaving, and \$25,000 to a retiree for unused vacation and sick leave.

B. Manager/Operations Report: Mr. Rolwing invited the Board's attention to his written report. He reported that he met with the Chamber of Commerce regarding emergency preparedness, and the need for more Community Emergency Response Team (CERT) volunteers was emphasized. Training costs \$25 for 20 hours. The Board agreed that at least two District employees should be trained.

C. Water and Wastewater Operations Report - May 2013: Mr. Holloway reported that the pump in Well 18 was determined to be oversized and will be replaced with a smaller, more efficient model. It should be back in service by mid-July. Well 11 is operating fine.

D. Water Production/Use Records - May 2013: Mr. Holloway explained that water use in ID 1 was up in May, due largely to repairs to the 800 tank, requiring it to be emptied three times.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Ms. Pitman announced that the auditors will be here July 1 for inventory, and will return during the last week of August.

2. Due-Diligence

This report was presented earlier relative to refinancing options.

3. Strategic Planning Committee/IRWM

Director Lyle Brecht reported the Committee has been meeting regularly with the Borrego Water Coalition, and is also working on the Rams Hill project. Mr. Rolwing reported that the Coalition now has a website, borregowatercoalition.org.

4. Executive Committee

No report.

5. Operations & Management Committee

No report.

6. Parks Committee

No report.

7. Asset Ad Hoc Committee

No report.

VI. INFORMATION ITEMS

None

VII. CLOSED SESSION

A. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Government Code Section 54956.9. Two cases:

B. Conference with Labor Negotiators, Gov't Code section 54956.8:

Agency representatives: Beth Hart, Marshal Brecht

Employee organization: Unrepresented employees

The Board adjourned to closed session at 9:55 a.m., and the public meeting reconvened at 10:45 a.m. There was no reportable action.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:45 a.m. The next Special Meeting of the Board of Directors is scheduled for July 16, 2013 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for July 24, 2013 at the Borrego Water District.