

when the two years would begin to run. Mr. Rolwing agreed to check with DWR. The tentative plan is, at next week's Board meeting, to set the public hearing for October 23.

Mr. Daoast expressed concern regarding the fact that the Proposition 218 public hearing on the rate increase was scheduled in June, when many residents were absent. President Hart explained that the new Board had just taken office the prior November, and by the time they realized the District's dire financial situation and completed the necessary investigation and procedures it was necessary to act immediately to cover ongoing expenses.

C. Discussion of potential agenda items for September 25th board meeting: Agenda items for the Regular September Board meeting will include sewer transfer from U.S. Bank to Palm Canyon Resort, discussion of Borrego Water Coalition progress and plans, updating the Groundwater Management Plan, CSD charges for Santiago Estates, report from John Peterson on water levels, update on UCI National Science Foundation grant, Rams Hill update if legal counsel concurs, and a report on the Rams Hill tank relining.

III. CLOSED SESSION

A. Conference with Legal Counsel - Anticipated Litigation. Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Gov't Code section 54956.9. Two cases: The Board adjourned to closed session at 9:55 a.m., and the open session reconvened at 11:45 a.m. There was no reportable action.

IV. CLOSING PROCEDURE, Adjournment

There being no further business, the Board adjourned at 11:45 a.m. The next Regular Meeting of the Board of Directors is scheduled for September 25, 2013 at the Borrego Water District.