

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, September 25, 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
Lisa Foster, McDougal Love Eckis Boehmer & Foley (via
teleconference, Item VII only)
David Aladjem, Downey Brand (via teleconference, Item VII only)
Wendy Quinn, Recording Secretary

Public: Joe Tatusko Jeanne Beck, *Borrego Sun*
Dick Walker Casey Jones, *The Borregan*
Jim Engelke Don Blaikie
Nan Schwob John Peterson
Larry Luers Sheree Pilot, Santiago Estates
Bill Berkley, Rams Hill Jack McGuire
Partners Bob McKee
Rick Sprouse Malcolm Dyes
Jim Snowden, BSMGC

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

E. Approval of Minutes:

Special meeting of July 16, 2013

MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of July 16, 2013 as corrected (list David Aladjem under “staff,” rather than “public”).

Regular meeting of July 24, 2013

MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of July 24, 2013 as corrected (list David Aladjem under “staff,” rather than “public”).

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

G. Comments from the Public and Requests for Future Agenda Items: Don Blaikie referred to a letter from the District to T2 Realty regarding Rams Hill. He alleged that the letter indicated that T2 doesn't serve the interests of Borrego Valley and the District does not intend to approve the T2 proposal. Mr. Blaikie felt the District's position was in conflict with the financial interests of the Rams Hill homeowners, local businesses and La Casa del Zorro. President Hart pointed out that the letter in question is not a public document but was part of ongoing negotiations. Joe Tatusko asked that the issue be placed on the next Agenda, and President Hart replied that it would be done at the legally appropriate time.

Mr. Tatusko inquired about the excess water consumption discovered at Club Circle East, and Jerry Rolwing informed him that it had been resolved.

Malcolm Dyes inquired about a report on the Rams Hill status and was informed by the Board that District counsel had not authorized its release.

Bob McKee reported that 20 years ago he used 102 units of water for the month at a cost of \$75. That same amount today would cost \$297 for a resident, \$248 for a commercial or irrigation customer.

Mr. McKee inquired about the Best Management Practices for business that were proposed at the time tiered water rates were adopted, and President Hart informed him they had not yet been implemented.

H. Correspondence: None

II. CURRENT BUSINESS MATTERS

A. Water Level presentation by John Peterson: John Peterson informed the group he had been involved in water resources since 1981, including serving as San Diego County Groundwater Geologist until his retirement in 2003. Groundwater in the Borrego Valley has been monitored for 30 years, and it is apparent that more is being extracted than replenished. He distributed graphs of sampling well results from 1987 through 2005. Mr. Peterson is currently working with BWD, DWR and the County to resurrect the monitoring system, which has continued in place but at a reduced frequency in recent years. After answering questions from the public, he concluded by explaining that the main concern is not running out of water, but reaching a point where its extraction is not economically viable due to quality issues in the lower aquifers. All of us in Borrego Valley need to work together to resolve this issue.

B. Discussion of CSD charges for Santiago Estates: Mr. Rolwing reported that the Due Diligence Committee agreed to reduce the Community Services District fee for Santiago Estates to 172 units, its current occupancy. Santiago Estates will report its occupancy annually in June and the fee will be adjusted accordingly. Mr. Rolwing further reported that BWD's contract to operate the Club Circle Golf Course had been renegotiated to provide five year increments for reconsideration. In June, 2015 the District will have the opportunity to decide whether to continue operation or let another entity take it over. Lastly, Mr. Rolwing urged Sheree Pilot, Santiago Estates Manager, to come back to the Board when their trash contract expires. The District may be able to assist in obtaining a more favorable arrangement.

C. Discussion of Borrego Water Coalition progress report: Director Lyle Brecht reported that the BWC had scheduled a public meeting on November 12, 4:30 to 6:30 p.m. Assuming BWD approval to update the Groundwater Management Plan, this could be the kickoff meeting. Mr. Rolwing explained that grant applications previously filed through the Integrated Regional Water Management Plan had been rejected based on the lack of common goals throughout our region. Hopefully the BWC will bring the various entities together, now that DWR has approved a phased plan for the IRWMP, concentrating only on Borrego Valley in the first phase. The updated Groundwater Management Plan will assist in identifying projects to be included in the next grant application.

D. Discussion and possible action of updating the Groundwater Management Plan moving the proposed public hearing to October 23, 2013: Mr. Rolwing explained that the BWD Groundwater Management Plan was originally adopted in 2002 and now needs to be updated to include how the District intends to reach its goals. The public will be involved through stakeholder meetings. The Plan must be completed within two years per State requirements. There was concern from the public that the proposed October 23 hearing date was too early; many seasonal residents don't return until November. Director Lyle Brecht pointed out that they will have an opportunity to participate at the November 12 Borrego Water Coalition meeting. ***MSC: Estep/M.Brecht setting a public hearing on updating the Groundwater Management Plan for October 23, 2013.***

E. Update on University of California Irvine National Science Foundation Grant: Director Lyle Brecht reported that UCI had submitted its NSF grant application and he felt they had a good chance of success. He asked Mr. Rolwing to put an abbreviated version on the BWD website. If successful, the grant would attract scientists to address water resource and sustainability issues.

F. Consideration of approval of sewer transfer from U.S. Bank National Association to RTA Palm Canyon Resort: *MSC: L.Brecht/M.Brecht approving a sewer transfer from U.S. Bank National Association to RTA Palm Canyon Resort.*

President Hart declared a recess at 10:10 a.m., and the Board reconvened at 10:20 a.m.

III. STAFF REPORTS

A. Financial Reports - July and August 2013: Kim Pitman offered to answer questions on her written report. President Hart asked that she and Director Marshal Brecht investigate options for earning higher interest on District funds.

B. General Manager/Operations Report: Mr. Rolwing reported that he expected the report from USGS in early October, a draft report from the Bureau of Reclamation by the end of October and the BOR final report by the end of the year.

David Dale reported on the recoating of Rams Hill No. 1 Tank, which began in February with engineering, contract documents and hydraulic studies. The coating should be finished this week, the tank will be filled the following week and then tested. Mr. Dale was on site to ensure the work was done according to specifications. He recommended draining and inspecting the tank after 11 months, as the warranty is good for a year.

C. Water and Wastewater Operations Report - July 2013

D. Water Production/Use Records - July 2013:

E. Water and Wastewater Operations Report - August 2013:

F. Water Production/Use Records - August 2013:

The water and wastewater operations reports and water production/use records were included in the Board package.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Marshal Brecht reported that the Committee was awaiting the signed note from the Viking Ranch escrow so it can be provided to the auditors. Ms. Pitman noted that the audit should be completed by the end of the week.

2. Due-Diligence

This report was presented earlier relative to Santiago Estates' CSD fees.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee had been working with the Borrego Water Coalition and the attorneys for Rams Hill.

4. Executive Committee

No report.

5. Operations & Management Committee

Director Delahay announced that the Committee would be meeting with a solar provider this afternoon.

6. Parks Committee

Director Estep noted that the parks income would be reduced by the adjustment to Santiago Estates' CSD fees.

7. Asset Ad Hoc Committee

No report.

8. Personnel Committee

No report.

9. Negotiating Committee

No report.

Mr. Rolwing inquired whether the Board wanted to reinstitute the Groundwater Management Committee. After discussion, it was agreed that groundwater management would be included as a monthly agenda item for the workshop meeting.

President Hart suggested revising the District policies and procedures. Ms. Pitman explained that this would include the Administrative Code, Operations Manual, Policies and Procedures, and Personnel. The Administrative Code requires Board of Supervisors' approval. It was agreed that after completion of the audit, staff would review the documents and present recommendations to the Board at its December workshop.

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. One case: The Board adjourned to closed session at 11:00 a.m., and the public meeting reconvened at 12:00 p.m. There was no reportable action.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 12:00 p.m. The next Special Meeting of the Board of Directors is scheduled for October 15, 2013 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for October 23, 2013 at the Borrego Water District.