

**Borrego Water District
CORRECTED MINUTES
Special Meeting of the Board of Directors
Tuesday, October 15, 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
 Lisa Foster, McDougal Love Eckis Boehmer & Foley (via
 teleconference, Item III only)
 Wendy Quinn, Recording Secretary
- Public:** Dick Walker Bob McKee
 Jeanne Beck, *Borrego Sun* Casey Jones, *The Borregan*
- D. Approval of Agenda:** ***MSC: L.Brecht/M.Brecht approving the Agenda as written.***
- E. Comments from Directors and Requests for Future Agenda Items:** None
- F. Comments from the Public and Requests for Future Agenda Items:** None

II. CURRENT BUSINESS MATTERS

A. Discussion and possible action of updating the Groundwater Management Plan:
Jerry Rolwing announced that the public hearing on the Groundwater Management Plan update had been set for October 23. This will begin the two-year period in which the update must be completed. Director Lyle Brecht inquired about the update process, and Mr. Rolwing agreed to prepare an outline but wanted stakeholder input before finalizing it.

B. Discussion of Commercial and Irrigation Best Management Practices: Mr. Rolwing referred to a proposed memo to commercial and irrigation customers in the Board packet, referring them to websites outlining Best Management Practices for water conservation. Bob McKee expressed concern that the BMPs had not been mandated in 2008-09 concurrent with adoption of tiered water rates, as contemplated at the time. President Hart acknowledged the oversight on the part of the prior District Board, but explained that the present Board had had more pressing issues to address when they assumed office. Tiered rates will be reconsidered in 2014. Mr. McKee referred to BWD Resolution 2008-4-1, establishing tiered rates, which he understood to be a law requiring the institution of BMPs. Director Estep explained that only the State Legislature can enact laws. A District resolution is a policy statement. Mr. McKee inquired about lowering water rates based on the number of disadvantaged residents in our area. Director Delahay explained that this concept, the "affordability threshold," had been studied in Central California. The Board agreed that Mr. Rolwing should send his proposed memo to commercial and irrigation customers.

C. Preliminary discussion of progress towards credit worthiness: Director Lyle Brecht expressed concern that the District was not building its cash flow sufficiently to meet its target date for credit worthiness of 2016-17. Discussion followed regarding possible options, including USDA loan or an I-Bank loan to pay down the Certificates of Participation and/or the

Viking Ranch and Well 12 notes. Mr. Rolwing agreed to investigate once the annual audit has been completed.

D. Discussion of potential agenda items for October 23rd board meeting: Agenda items for next week will include the public hearing on the Groundwater Management Plan update and adoption of a resolution initiating the update, changes in the November and December Board meeting schedule (one meeting each month, November 20 and December 18), and a closed session. President Hart suggested establishing a master calendar listing deadlines and due dates for various District projects and contracts. Director Marshal Brecht suggested a schedule for the Groundwater Management Plan update.

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. One case: The Board adjourned to closed session at 10:10 a.m., and the open session reconvened at 10:45 a.m. There was no reportable action.

IV. CLOSING PROCEDURE, Adjournment

There being no further business, the Board adjourned at 10:45 a.m. The next Regular Meeting of the Board of Directors is scheduled for October 23, 2013 at the Borrego Water District.