

Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, January 22, 2014
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
Morton Park, McDougal Love Eckis Boehmer & Foley (via
teleconference, Item VII only)
David Aladjem, Downey Brand (via teleconference, Item VII only)
Wendy Quinn, Recording Secretary

Public: Jim Engelke Bill Burton
Jeannie Beck, *Borrego Sun* Dick Walker
Patrick Meehan

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

E. Approval of Minutes:

Regular meeting of December 18, 2013

MSC: L.Brecht/Estep approving the Minutes of the Regular Meeting of December 18, 2013 as written.

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

G. Comments from the Public and Requests for Future Agenda Items: Patrick Meehan requested that negotiations with Rams Hill be included on the next Agenda. President Hart replied that she hoped to do so, or maybe call a special meeting earlier.

H. Correspondence: None

II. CURRENT BUSINESS MATTERS

A. Discussion and possible approval of Genus L.P. request for water credits on Pepper Farm property: President Hart explained that the five-year time frame to plant or fallow for the former pepper farm, which had been subsequently converted to oats, had expired on December 31, 2013. The owner wants to fallow and obtain water credits. President Hart had sent a letter to Paul Nordman, the owner's representative, explaining the District's policy and requesting additional information. Mr. Nordman responded, but President Hart felt more data was needed and he wasn't present today to respond. The matter was referred to the Asset Ad Hoc Committee, and Diana Del Bono agreed to notify Mr. Nordman. Discussion followed regarding whether there is still a right to farm on the property, and Director Estep recommended that the District continue to seek a ruling from the County.

B. Discussion and possible action on Agri-Empire potato farm proposal: Jerry Rolwing reported that Greg Lowther had contacted him regarding Agri-Empire potato farm's desire to sell its property. Mr. Lowther believes he can secure funding to enable the District to

purchase it, but wants a letter of commitment that BWD will assist in facilitating the transaction. A proposed letter from President Hart to Mr. Lowther was included in the Board package, and the Board agreed to send it.

C. Discussion and possible approval of amendment to page 9 of the District Water Credit Policy: Mr. Rolwing invited the Board's attention to two alternatives in the Board package to amend the Water Credit Policy in response to a request from Jim Engelke. *MSC: L.Brecht/Delahay approving amendment of the District Water Credit Policy as reflected on page 9 of the Policy in the Board package.*

D. Review of planning calendar: Mr. Rolwing invited the Board's attention to the proposed planning calendar in the Board package. President Hart noted that the Viking Ranch payment was due in 2017, not 2016 as shown. Discussion followed. Suggested additions to the calendar included dates associated with the annual budget process, deadline for notification of intent should the District elect to terminate the Club Circle lease, the date on which the Camerons can increase the cost of water for Club Circle, the deadline for notification of termination of the postage machine lease and the date by which Santiago Estates must report changes in occupancy to the District. President Hart asked that the calendar be included in each Board package.

III. STAFF REPORTS

A. Financial Reports - December 2013: The Financial Reports were included in the Board package. Kim Pitman responded to questions from the Board.

B. General Manager/Operations Report: Mr. Rolwing reported that he expects to receive another draft report from the USGS by the end of the month. Upon receipt, he will check on USGS guidelines for its distribution.

A kick-off meeting with the Army Corps of Engineers and the County was held last week to introduce a new study of flooding in the Borrego Valley.

Mr. Rolwing is continuing to work with John Peterson on groundwater monitoring, and continuing efforts to resolve the sewer problems at La Casa Del Zorro. More information on the sewer work will be presented at the next meeting.

C. Water and Wastewater Operations Report - December 2013

D. Water Production/Use Records - December 2013:

E. Year to Date Meter Installations:

F. Meter Installation History:

These Staff 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 has been working on balance sheet issues for the budget.

3. Strategic Planning Committee/IRWM

President Hart reported the Committee continues to work with the Borrego Water Coalition and Rams Hill. The Borrego Water Coalition held a public meeting recently which was well attended.

4. Executive Committee

No report.

5. Operations & Management Committee

Director Delahay reported that the Committee met and discussed sewer issues. President Hart requested additional information on the information presented to the Board by Jeff Coffman of Clean Green Technology.

6. Parks Committee

Director Estep requested a copy of the agreement between the District and the Cameron Brothers regarding Club Circle Golf Course.

7. Asset Ad Hoc Committee

President Hart announced that the Committee would meet soon to discuss the Genus L.P. water credit issue addressed earlier today.

8. Personnel Committee

No report.

9. Negotiating Committee

President Hart reported that the Committee is working with Lance Lundberg to revise portions of the Viking Ranch agreement in conformance with County policy.

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 10:00 a.m., and the public meeting reconvened at 11:15 a.m. There was no reportable action.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:15 a.m. The next Special Meeting of the Board of Directors is scheduled for February 18, 2014 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for February 26, 2014 at the Borrego Water District.