

Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Monday, January 27, 2014
1:00 PM
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order: President Hart called the meeting to order at 1:00 p.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 (via teleconference)

 Staff: Jerry Rolwing, General Manager
 David Aladjen, Downey Brand (via teleconference)

 Public: Ray Bolanos Patrick Meehan
- D. Approval of Agenda: *MSC: L.Brecht/Delahay 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. 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 1:02 p.m., and the open session reconvened at 1:50 p.m. It was announced that the Board approved with a 4:1 vote to accept a settlement agreement with T2 Borrego. The vote was Brecht, Brecht, Hart and Estep for and Delahay against. The settlement agreement entitles T2 Borrego to reestablish the Rams Hill Golf Course.

The settlement agreement with T2 Borrego resolves all outstanding legal issues and avoids litigation. There were four primary issues in dispute between the parties: the sale of Well 12 to the District pursuant to an agreement in 2009, an "escalator clause" in the "2009 Agreement" that potentially would have significantly increased the cost of Well 12 to the District, the 2009 Agreement's prohibition against T2's drilling wells on its own property, and the basis upon which Availability Fees were assessed on Ram's Hill property. The settlement agreement resolves each of these issues without litigation.

The Board has scheduled a Special Meeting on Friday, January 31st at the District offices for the public to learn the details of this settlement and ask questions. Further, the settlement agreement will be posted on the District's website by noon Tuesday, January 28, 2014.

III. CLOSING PROCEDURE, Adjournment

There being no further business, the Board adjourned at 1:50 p.m. The next Special Meetings of the Board of Directors are scheduled for January 31, 2014 and 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.