

**Borrego Water District
CORRECTED MINUTES
Regular Meeting of the Board of Directors
Wednesday, February 26, 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
Greg Holloway, Operations Manager
Diana Del Bono, Administrative Assistant
Wendy Quinn, Recording Secretary

Public: Chuck Muse, JPIA Paul Nordman, Genus L.P.
Dick Walker

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

E. Approval of Minutes:

Special meeting of January 14, 2014

MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of January 14, 2014 as corrected (Item II.A, third paragraph, changed in part to read, ". . . submitted comments regarding the draft Bureau of Reclamation USGS-report).

Regular meeting of January 22, 2014

MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of January 22, 2014 as written.

Special meeting of January 27, 2014

MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of January 27, 2014 as written.

Special meeting of January 31, 2014

MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of January 31, 2014 as written.

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

G. Comments from the Public and Requests for Future Agenda Items: None

H. Correspondence: None

II. CURRENT BUSINESS MATTERS

A. Presentation by JPIA Executive Member, Chuck Muse, regarding refund: Mr. Muse presented the District with a premium refund check for \$27,330 in recognition of the staff's safety record and completion of 12 courses and webinars.

B. Report of Sewer issues at La Casa Del Zorro: Greg Holloway showed slides of an aerial view of La Casa Del Zorro resort and the nearby BWD sewage treatment plant. He traced the route of the sewer line from the plant through the resort and the location of manholes along the route. To alleviate odor problems, plans include the repair of two fractures in the line and the introduction of grease-eating bugs into the system. In the future, quarterly routine maintenance

will be instituted. President Hart recommended that when contractors are retained, Morton Park review the contract documents to identify any liability issues.

Some of the work has already been completed, including repairs to Manhole No. 6, cleaning and videotaping. An issue that remains to be addressed is the elevation of Manhole No. 9, adjacent to the American Legion, which is lower than the optimum elevation in relation to the next Manhole, No. 8. The most economical solution would be to install a wet well and grinder, then deed it over to the Legion for routine maintenance. David Dale is preparing a cost estimate for all the proposed work.

C. Discussion and possible approval of Genus L.P. request for water credits on Pepper Farm property: Paul Nordman stated that the owners of the subject property are open to alternatives, i.e. fallowing for credit or replacing the damaged well and replanting. President Hart explained that she and Director Marshal Brecht had obtained water records from the former owners of the property, Gary Dix and Lane Sharman, and determined the District could only offer 6.21 credits for fallowing, which is insufficient for the current owner. She suggested that Genus L.P. consider donating the property to the District, and Mr. Nordman is currently in conversations with them.

D. Review draft agenda for Town Hall meeting: Mr. Rolwing invited the Board's attention to the proposed Town Hall Meeting Agenda in the Board package. Claudia Faunt and Greg Krzys have confirmed their attendance. Jim Bennett has been invited but has not yet confirmed. President Hart volunteered to open and close the meeting.

E. Report from Strategic Planning committee regarding Borrego Water Coalition: President Lyle Brecht invited the Board's attention to the Committee meeting notes in the Board package and offered to answer questions.

F. Discussion and possible approval of Resolution 2014-02-01 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, REMOVING STANDBY CHARGES AND/OR ACREAGE ASSESSMENT AND THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT DISTRICT NO. 1 OWNED BY T2 BORREGO LLC: Mr. Rolwing requested that this item be tabled. A property was inadvertently included on the exhibit that is not owned by T2 Borrego. President Hart questioned the terms "standby charges" and "availability fees." Mr. Rolwing explained that the two had been traditionally used interchangeably. The Board agreed to use "availability fees/standby charges" in the resolution.

G. Review of planning calendar: Director Lyle Brecht brought up a discrepancy in the first line of the calendar. The Viking Ranch and T2 Borrego due dates had inadvertently been combined.

III. STAFF REPORTS

A. Financial Reports - January 2014: Kim Pitman pointed out that the sewer maintenance expenses were higher than usual due to the ongoing repairs. In comparing last year's actuals to this year's, income is two percent lower and expenses are ten percent lower. Significant expenses for January include legal costs associated with the Rams Hill agreement. Director Marshal Brecht requested that unexpected expenses not be included in the adopted budget column.

B. General Manager/Operations Report: Mr. Holloway reported there was a break in the line on Palm Canyon Drive near the Palm Canyon Resort. That section of road had recently been paved, but the old pavement was left underneath the new and washed out. The County will do the repaving in May, but it will cost the District approximately \$64,000. There was also a

manhole break at Club Circle. The pressure regulator will be replaced, and pavement in that area will also require repair.

Mr. Rolwing reported that pumping had begun at Rams Hill, and Mr. Holloway added that water delivery would be on schedule by this Friday.

C. Water and Wastewater Operations Report - January 2014: Mr. Rolwing reported that a discrepancy in ID-1, associated with the relining of the 800 tank, should be resolved next month.

D. Water Production/Use Records - January 2014: An update will be provided next month.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Lyle Brecht asked whether data was continually provided to the auditors as updated or only when requested. Ms. Pitman replied that she continues with her usual recordkeeping and it is available to the auditors at any time.

Ms. Pitman reported she met with bank representatives recently regarding a line of credit.

2. Due-Diligence

Director Lyle Brecht inquired about a possible USDA loan, and Mr. Rolwing agreed to look into it once Mr. Dale has completed his cost estimate for the sewer repairs. Mr. Holloway noted that the diesel motors and the backhoe are in need of replacement.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee met with the Borrego Water Coalition and talked to Raftelis regarding availability fees and the Rams Hill settlement. Director Lyle Brecht reported that DWR would no longer fund the facilitator for the BWC as of June. Discussion followed regarding options to fill the void.

Director Lyle Brecht reported that UCI had arranged for an expert from National Geographic to conduct a one-day workshop, tentatively in April. He has studied small communities similar to Borrego Springs that have significant natural resources, as we do in the State Park, and has evidence that those that are more successful economically tend to be distinguished by their advance planning abilities. The expert's fee is \$1,000, \$750 of which has been raised from community donations. Mr. Rolwing suggested that if Director Lyle Brecht could attend the workshop and write a report on it for the Groundwater Management Plan, the District could justify a contribution.

4. Executive Committee

The Committee is working with Mr. Park on the Lundberg agreement and note amendment.

5. Operations & Management Committee

No report.

6. Parks Committee

No report.

7. Asset Ad Hoc Committee

President Hart reported the Committee had been working on water credit issues, Paul Nordman's request and Rudy Monica's situation. She and Mr. Rolwing will meet with Messrs. Monica and Sharman on Friday.

8. Personnel Committee
No report.
9. Negotiating Committee
No report.

VI. INFORMATION ITEMS

None

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:30 a.m. The next Special Meeting of the Board of Directors is scheduled for March 18, 2014 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for March 26, 2014 at the Borrego Water District. The Town Hall Meeting is scheduled for March 27, 2014 at the Performing Arts Center.