

**Borrego Water District
CORRECTED MINUTES
Regular Meeting of the Board of Directors
Wednesday, April 23, 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
Wendy Quinn, Recording Secretary

Public: Jim Engelke, Jack Light Gil Lombard
Jeannie Beck, *Borrego Sun*

D. Approval of Agenda: Director Lyle Brecht noted that Item I.F, “Comments from Directors and Requests for Future Agenda Items,” was listed twice. ***MSC: L.Brecht/M.Brecht approving the Agenda as amended.***

E. Approval of Minutes:

Special meeting of March 18, 2014

MSC: L.Brecht/Delahay approving the Minutes of the Special Meeting of March 18, 2014 as amended (Item II.E, delete “Water usage in Borrego Valley has declined by 60 percent in the last five years).

Regular meeting of March 26, 2014

MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of March 26, 2014 as written.

Town Hall meeting of March 27, 2014

MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of March 27, 2014 as amended (delete last sentence in section 2, first paragraph: “However, most of this is lost through evaporation”; section 2, end of first sentence on Agenda page 10, change in part to read, “...subsidence may ~~will~~ become an issue....”; delete the last sentence in section 3, “Desalination, a nonstructural alternative, looks more attractive and is becoming more affordable”; delete the second sentence in section 6, “The balance is positive after a two-year deficit”; section 6, next-to-the-last sentence, change in part to read, “...approach the bond markets by 2016 or 2017....” and section 7, fourth question, delete the portion of the answer that reads, “...but there is no prediction as to whether it would be statistically significant.”)

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

G. Comments from the Public and Requests for Future Agenda Items: Jim Engelke announced that he was starting work on a conservation subdivision for landowner Jack Light on the southwest corner of Borrego Springs Road and Big Horn. The property is presently zoned for one building per four acres, but the conservation subdivision would permit a greater density if 60 acres of the property are set aside for open space in perpetuity. Mr. Engelke asked whether

BWD would be interested in accepting the property for open space under its park authority. He noted that it could be used for storm water retention or a well. President Hart asked Mr. Engelke to work with Jerry Rolwing to explore the options. Director Lyle Brecht recommended consulting a land use attorney.

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 reported that she and Director Marshal Brecht had been working with Paul Nordman and the Genus L.P. owner on Genus' request for water credits. They concluded that the property is agricultural land under the BWD water credit policy, so it could qualify for the District's Ag-3 credits but not the County's. BWD's offer was two credits per net farmable acre. The Board had agreed to this in 2009 but there was no follow-up action. The owners accepted the offer, 112 credits total with restrictive easements, and agreed that their well could be used as a monitoring well. **MSC: *L.Brecht/Delahay approving the water credit agreement with Genus L.P.***

B. Update on Rams Hill well testing and Availability fees: Mr. Rolwing distributed an e-mail from Dudek Engineering regarding Wells 1 and 2, which were sold to T2 Borrego. He asked the Board to review it, and a Dudek representative will attend the May workshop to discuss it. Director Lyle Brecht asked that the production start date for these wells be included on the planning calendar.

Director Lyle Brecht inquired about a landscaping ordinance for new development. Mr. Rolwing explained that the County ordinance is not really applicable to Borrego Springs, and Director Lyle Brecht suggested that the Strategic Planning Committee investigate.

Director Lyle Brecht suggested scheduling periodic conference calls among BWD, Dudek and T2. President Hart recommended scheduling it for early May, noting that she may be out of town but can participate by phone although she will not have access to a printer. Director Delahay offered to sit in for her. President Hart asked that Dudek be requested to include a clear, bulleted conclusion in its correspondence.

C. Report by Director Lyle Brecht on Borrego Springs sustainability conference: Director Lyle Brecht reported on the sustainability conference held April 11 at De Anza Country Club. There were 80 attendees, including representatives of many local organizations and UCI professors and students. The objective was to discuss local economic development opportunities. The presenters had studied other communities adjacent to parks and similar natural resources, and concluded that those who planned for their future achieved economic well-being.

D. Discussion and possible approval of David Taussig & Associates annual Consulting Agreement: **MSC: *L.Brecht/Estep approving the annual consulting agreement with David Taussig & Associates.***

E. Continuation of Fay 2015 Budget discussion (as needed): Director Lyle Brecht reported that at yesterday's workshop, those present agreed to a 10 percent increase in commodity water rates and sewer rates, leaving the meter fee as is. President Hart announced that a new counsel had been selected, Morgan Foley. He is a senior partner in McDougal Love Eckis Boehmer & Foley, the same firm from which prior counsel Morton Park resigned to accept a position with the State Department.

F. Review of planning calendar: Director Lyle Brecht asked that the yearly Raftelis cost analysis for ID-1 be included, and Mr. Rolwing recommended it be done in April. Other

items to be added included T2 spare capacity in May and June, Ramona disposal services for Santiago Estates in June, budget in May, Proposition 218 process in January and February, the Raftelis input for the 2015 financial plan in September, and elections in November.

III. STAFF REPORTS

A. Financial Reports - March 2014: The Financial Reports were included in the Board package.

B. General Manager/Operations Report: Mr. Rolwing reported that the District sold three water credits. DWR has provided an economist to work with the Borrego Water Coalition. Six meters were removed during the past two months.

C. Water and Wastewater Operations Report - March 2014: Mr. Rolwing noted that some calculations were being corrected for ID 1.

D. Water Production/Use Records - March 2014: President Hart asked that the report on the surplus capacity being provided to the Rams Hill Golf Course be changed to “spare capacity,” consistent with the contract.

E. Year to Date Meter Installations: Mr. Rolwing announced that he sold two two-inch meters to the new solar farm.

F. Meter Installation History: The meter installation history was 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 working on availability fees and the budget.

2. Due-Diligence

Director Lyle Brecht reported that the Committee discussed financing issues.

3. Strategic Planning Committee/IRWM

Director Lyle Brecht reported that the Committee met with the Borrego Water Coalition. President Hart added that she had attended the sustainability conference with Director Lyle Brecht. Director Lyle Brecht reported that the Committee was working on a response to draft policy recommendations for the Coalition.

4. Executive Committee

President Hart reported that the Committee had reviewed the proposed retention of Mr. Foley as counsel.

5. Operations & Management Committee

Director Delahay reported that the Committee had concentrated on working with Mr. Rolwing on the budget.

6. Parks Committee

No report.

7. Asset Ad Hoc Committee

No report.

8. Personnel Committee

President Hart reported that this year's cost of living adjustment is 1.7 percent, and health and pension rates increased 3.8 percent. The Committee recommends returning the \$27,000 safety refund from JPIA to the employees, \$3,000 each to the regular staff and \$2,000 each to the managers. The Board concurred.

9. Negotiating Committee

No report.

10. CFD Committee

Director Estep reported that the Committee was reviewing recommended bond counsel.

VI. INFORMATION ITEMS

None

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:30 a.m. The next Special Meeting of the Board of Directors is scheduled for May 20, 2014 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for May 28, 2014 at the Borrego Water District.