

**Borrego Water District  
CORRECTED MINUTES  
Regular Meeting of the Board of Directors  
Wednesday, June 25, 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  
Greg Holloway, Operations Manager  
David Aladjem, Downey Brand (via teleconference, Item VII only)  
Wendy Quinn, Recording Secretary

**Public:**            Jan Naragon                     Joe Tatusko  
Jeannie Beck, *Borrego Sun*   Bill Landry  
Gil Lombard                     Andrea Roess, Taussig & Associates

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

**E. Approval of Minutes:**

Special meeting of May 20, 2014

***MSC: Estep/L.Brecht approving the Minutes of the Special Meeting of May 20, 2014 as corrected (Item II.C, “. . . provide AG-2 credits as an alternative, granting 1.33 times as many . . . .”)***

Regular meeting of May 28, 2014

***MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of May 28, 2014 as written.***

Special meeting of May 30, 2014

***MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of May 30, 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:** Jerry Rolwing reported that Kathy Godwin had expressed opposition to the \$10 late charge on delinquent water bills and requested a longer grace period. President Hart asked Mr. Rolwing to review the policy with Kim Pitman and report back to the Board.

**II. CURRENT BUSINESS MATTERS**

**A. Review of Special Assessments and Administration Report for Fiscal Year 2014-2015 prepared by David Taussig and Associates, Inc. for CFD No. 2007-1 presented by Andrea Roess:** Ms. Roess presented her annual review of CFD charges and other fixed charges that need to be transmitted to the County for inclusion in the property tax bills. Delinquencies continue in the CFD, and staff is working with the new Rams Hill owners, but so far the charges are

continuing to be levied. The owners requested separate bills for the property which they own, rather than including the charges on their tax bills. With concurrence of bond counsel, Taussig agreed. President Hart requested that Board members be involved in future decisions such as this, and Mr. Rolwing suggested the CFD Committee. Ms. Roess will work with Mr. Rolwing to arrange a meeting.

Ms. Roess noted that the fixed charges are basically the same as last year's, updated with new parcel counts and adjusted for T2 property based on Raftelis' recommendations.

**B. Discussion and possible approval of RESOLUTION #2014-06-02 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY:**

**C. Consideration of RESOLUTION NO. 2014-06-03 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATIONS AND MAINTENANCE OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON LAND WITHIN THE DISTRICT FOR THE FISCAL YEAR 2014-2015:**

**D. Consideration of RESOLUTION NO. 2014-06-04 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COSTS OF OPERATION AND MAINTENANCE OF THE DISTRICT, AND TO PAY COSTS OF OPERATIONS AND MAINTENANCE FOR IMPROVEMENT DISTRICT NO. 1 AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT DISTRICT NO. 1 FOR THE FISCAL YEAR 2014-2015:**

**E. Consideration of RESOLUTION 2014-06-05 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF PROVIDING PEST CONTROL SERVICES BY THE DISTRICT AND REQUESTING LEVY AND COLLECTION OF SAID CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2014-2015:**

**F. Consideration of RESOLUTION NO. 2014-06-06 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATING AND MAINTAINING THE WATER FACILITIES WITHIN IMPROVEMENT DISTRICT NO. 3 OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2014-2015:**

**G. Consideration of RESOLUTION 2014-06-07 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE BORREGO WATER DISTRICT AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2007-1 FOR THE FISCAL YEAR 2014-2015:**

***MSC: L.Brecht/Estep adopting Resolution #2014-06-02, Resolution of the Board of Directors of the Borrego Water District Restating and Adopting a Statement of Investment***

*Policy; Resolution No 2014-06-03, Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Levying Standby Charges and/or Acreage Assessments to Defray the Cost of Operations and Maintenance of the District and Requesting the Levy and Collection of said Standby Charges and/or Acreage Assessments on Land Within the District for the Fiscal Year 2014-2015; Resolution No. 2014-06-04, Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Levying Standby Charges and/or Acreage Assessments to Defray the Costs of Operation and Maintenance of the District, and to Pay Costs of Operations and Maintenance for Improvement District No. 1 and Requesting the Levy and Collection of said Standby Charges and/or Acreage Assessments on Certain Land in Improvement District No. 1 for the Fiscal Year 2014-2015; Resolution No. 2014-06-05, Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Levying Charges and/or Acreage Assessments to Defray the Cost of Providing Pest Control Services by the District and Requesting Levy and Collection of said Charges and/or Acreage Assessments for the Fiscal Year 2014-2015; Resolution No. 2014-06-06, Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Levying Standby Charges and/or Acreage Assessments to Defray the Cost of Operating and Maintaining the Water Facilities Within Improvement District No. 3 of the District and Requesting the Levy and Collection of said Standby Charges and/or Acreage Assessments for the Fiscal Year 2014-2015; and Resolution 2014-06-07, Resolution of the Board of Directors of the Borrego Water District, Acting as the Legislative Body of Community Facilities District No. 2007-1 of the Borrego Water District, Authorizing the Levy of Special Taxes Within Community Facilities District No. 2007-1 for the Fiscal Year 2014-2015.*

**H. Discussion and possible approval of issuing 14 water credits to Rudy Monica as per the 2011 Settlement Agreement:** President Hart reported that in consideration of a potential lawsuit, the District had negotiated a settlement agreement with Rudy Monica regarding his water credits. The District agreed to grant 14 AG-1 credits; however, Mr. Monica retained 5 credits due to an easement, so the District would be obligated to pay for 9. **MSC: L.Brecht/Estep approving the issuance of 9 water credits to Rudy Monica.**

**I. Report on Borrego Water Coalition public meeting:** Director Lyle Brecht commended *Borrego Sun* reporter Jeannie Beck on her article covering the BWC public meeting and recommended that everyone read it. Joe Tatusko pointed out that a budget and timeline now need to be established, and President Hart said that these should be available by November.

**J. Discussion and possible approval of revision of Water Credit Policy:** President Hart noted corrections to the Demand Offset Water Credits Policy: Agenda page 50, Policy page 9, items 4 and 5, had been amended in item 4 to change the word “tree” to “vegetation”; and in item 5, the title of Form 101 had been changed from “Water Rights Agreement” to “Water Credits Agreement.” She noted that form 103 had been amended, but the changes were not substantive. **MSC: L.Brecht/M.Brecht approving revision of the Water Credit Policy subject to the amendments presented.**

**K. Discussion and possible approval of Genus L.P. request for water credits on Pepper Farm property:** President Hart announced that Genus L.P. had agreed to permanently fallow its land and allow the District to use their well for monitoring. **MSC: L.Brecht/Estep approving Genus L.P.’s request for water credits on the Pepper Farm property, subject to Genus’ signature on the agreement and assuming there are no changes to the copy in the Board package.**

**L. Review of planning calendar:** Mr. Rolwing reported that the annual Consumer Confidence Report is available on the website, at the District office and will be included in the next water bills. It is available in Spanish.

Director Lyle Brecht suggested that the expected completion date of the annual audit be included in the planning calendar.

**M. Consideration of cancelling August Workshop and Regular Board meeting:** A resolution cancelling the August meetings will be presented next month for the Board's consideration.

### **III. STAFF REPORTS**

**A. Financial Reports - May 2014:** Director Marshal Brecht noted that the revenue for May was close to the projection. Engineering costs for Dudek's services were much higher than the projection, but most of these costs will be reimbursed to the District. The electric bill was up due to pumping at Rams Hill.

**B. General Manager/Operations Report:** Mr. Rolwing reported he had discussed an increase in depth-dependent water sampling with Claudia Faunt, USGS. DWR has announced the availability of funding for flood control.

Director Marshal Brecht inquired about requirements for a privately owned well to be offered for monitoring by the District. Mr. Rolwing explained that he preferred not to use pumping wells because of scheduling and liability issues.

Mr. Rolwing reported he had been working with the County on the water credit process. The District needs to justify its recommendations, such as offering credits for landscape modifications that reduce water use and more flexibility on the timing requirements for planting prior to fallowing.

AWWA is looking into federal requirements for pumping water into open streambeds. For the most part they don't apply to BWD, but it could become necessary to obtain an advance permit in case of a water main break.

Pursuant to the agreement with T2, BWD offered them 610 acre feet of spare water for golf course irrigation in the coming year. T2 requested only 350 acre feet.

Greg Holloway reported that he hopes to turn on Well 16 on Tuesday, but it can't be used until it is developed (cleaned and flushed prior to sending a sample to the lab for approval).

Discussion followed regarding water use and dust control at the solar plant under construction. President Hart asked that Mr. Rolwing inform the County of citizens' concerns regarding the dust.

Gil Lombard inquired about the confidentiality provision when private wells are monitored. It was explained that overall test results are public, just not the individual's results.

Director Marshal Brecht questioned BWD's rating of 3.5 out of 5 on groundwater reliance in the CASGEM Basin Summary. Mr. Rolwing had responded to DWR that BWD has no supplemental water source; only groundwater. DWR has not ruled on this, and Mr. Rolwing agreed to follow up.

**C. Water and Wastewater Operations Report - May 2014:**

**D. Water Production/Use Records - May 2014:**

The Water and Wastewater Operations Report and the Water Production/Use Records were included in the Board package.

#### IV. ATTORNEY'S REPORT

None

#### V. COMMITTEE REPORTS & PROPOSALS

##### Ad Hoc Committees

##### 1. Audit Committee

Director Lyle Brecht hoped that the Committee would meet with the auditors soon.

##### 2. Due-Diligence

No report.

##### 3. Strategic Planning Committee/IRWM

President Hart reported that the Committee had been meeting with the Borrego Water Coalition.

##### 4. Executive Committee

No report.

##### 5. Operations & Management Committee

Mr. Rolwing reported that the solar RFP would be distributed on July 10, with responses due by the end of August. David Dale will review the proposals and report to the Committee, which will make a selection and arrange for a presentation to the Board at its September workshop.

##### 6. Parks Committee

No report.

##### 7. Asset Ad Hoc Committee

President Hart reported that she and Director Marshal Brecht had been working on the water credit policy and transactions.

##### 8. Personnel Committee

No report.

##### 9. Negotiating Committee

President Hart reported that the Committee had received a response from Lance Lundberg.

##### 10. CFD Committee

Director Estep reported that the Committee would begin work on the issues which arose earlier relative to the CFD.

#### 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 potential case: President Hart declared a recess at 10:30 a.m., and the Board reconvened in closed session. The open session reconvened at 12:10 p.m. There was no reportable action.

## **VIII. CLOSING PROCEDURE**

There being no further business, the Board adjourned at 12:10 p.m. The next Special Meeting of the Board of Directors is scheduled for July 15, 2014 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for July 23, 2014 at the Borrego Water District.