

**Borrego Water District  
CORRECTED MINUTES  
Regular Meeting of the Board of Directors  
Wednesday, July 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: Paul Nordman, Genus LP Kathy Johnston

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

E. Approval of Minutes:

Special meeting of June 17, 2014

*MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of June 17, 2014 as written.*

Regular meeting of June 25, 2014

*MSC: M.Brecht/L.Brecht approving the Minutes of the Regular Meeting of June 25, 2014 as corrected (Item II.K, change the word "Agenda" in the motion to read "Board package"; Item III.B, fifth paragraph, change the last sentence to read, "T2 requested only 350 acre feet"; Item V.7, add the words "and transactions" at the end).*

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 the State Water Resources Control Board will be assuming the duties of the Department of Public Health regarding drinking water.

**II. CURRENT BUSINESS MATTERS**

A. Discussion and possible approval of Genus L.P. request for water credits on Pepper Farm property: *MSC: L.Brecht/Estep approving Genus L.P.'s request for water credits on the Pepper Farm property and giving Mr. Rolwing the authority to sign the documents.*

B. Discussion and possible approval of amended easement on Rudy Monica property: *MSC: L.Brecht/M.Brecht approving the amended easement on the Rudy Monica property and giving Mr. Rolwing the authority to sign the documents.*

C. Discussion and approval of authorizing General Manager, Jerry Rolwing, to sign settlement documents related to the Rudy Monica Water Credit transaction: *MSC: L.Brecht/Delahay authorizing the General Manager, Jerry Rolwing, to sign the settlement documents related to the Rudy Monica Water Credit transaction; contingent upon Mr. Monica's signature and Director Estep's review of the documents.*

**D. Discussion and possible approval of Center Pivot water credits:** President Hart explained that Jack McGrory and his partners had purchased the Center Pivot palm farm and have agreed to fallow the property. The County has agreed to grant AG-1 water credits for Blocks A, B and C. Mr. Rolwing and the Asset Ad Hoc Committee have tentatively agreed to grant AG-2 credits for Blocks D, E, F and G and portions of Blocks A, B and C that the County did not include.

Discussion followed regarding a well on the property that the District may need in the future. Director Estep recommended asking Mr. McGrory if he would consider allowing the District to use it (minus the one acre-foot per year he is allowed to retain). Jack McGrory will return to the District with a proposed fallowing plan and survey.

**MSC: Estep/L.Brecht approving the letter from Mr. Rolwing to Mr. McGrory outlining the proposed terms of the agreement.**

**E. Discussion and possible approval of Dudek proposal for Environmental Engineering Water Credits Program Analysis Recommendation:** Mr. Rolwing explained that as we move forward with the water credit program and the Groundwater Management Plan, the issue has arisen that the water credit program does not really address the overdraft. It provides no increase in the overdraft, but no reduction either. He recommended an analysis by Dudek so the District can justify its water credit ratio (i.e., 1:1, 2:1 or 3:1). President Hart added that defensible reasoning in the event of a lawsuit would be prudent, and Mr. Rolwing pointed out that it could also help in negotiations with the County to make its water credit program compatible with the District's. Director Estep felt that the Borrego Water Coalition should pay for the analysis. Director Lyle Brecht planned to include it in the BWC budget, but noted that it has yet to be negotiated. **MSC: Delahay/L.Brecht approving Dudek's proposal for an environmental engineering water credits program analysis. Director Estep abstained from the vote, and all others voted aye.**

**F. Review of planning calendar:** The Board agreed to delete past items from the planning calendar, or reschedule them if they are recurring. Director Lyle Brecht submitted a marked up calendar to Diana Del Bono, reflecting his proposed changes. President Hart reported that she had forwarded a proposed revision to the Club Circle Golf Course lease agreement to Director Estep and Mr. Rolwing, adding provisions for succession and assignment. Director Estep approved the revision, and Mr. Rolwing will follow up.

**G. Consideration of cancelling August Workshop and Regular Board meeting: MSC: L.Brecht/Delahay canceling the August Workshop and Regular Board meeting.**

### **III. STAFF REPORTS**

**A. Financial Reports - June 2014:** Kim Pitman announced that today's report covers the year-end figures, with the exception of the accruals. The current bank balance is over \$2 million. Ms. Pitman reported that early next year she plans to contact Umpqua Bank regarding a possible transfer of the District's funds to them.

**B. General Manager/Operations Report:** Mr. Rolwing invited the Board's attention to the Summary of Available Flood Infrastructure Information, attached to his written report in the Board package.

C. Water and Wastewater Operations Report - June 2014:

D. Water Production/Use Records - June 2014:

E. Year to Date Meter Installations:

F. Meter Installation History:

The Monthly Reports were included in the Board package.

#### **IV. ATTORNEY'S REPORT**

None

#### **V. COMMITTEE REPORTS & PROPOSALS**

##### Ad Hoc Committees

##### 1. Audit Committee

Director Marshal Brecht announced that the auditors would be here next week.

##### 2. Due-Diligence

The Committee had requested an estimate from Andrew Ciocca of Stern Brothers for refinancing the Viking note.

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

Director Lyle Brecht reported that the Committee had been working on schematics for the Borrego Water Coalition work and data for the Groundwater Management Plan. They hope to have them to the Board in September. President Hart announced there would be a BWC conference call on August 7.

##### 4. Executive Committee

President Hart reported that the Committee had been working with Lance Lundberg to complete the paperwork for the Viking Ranch transaction.

##### 5. Operations & Management Committee

Director Delahay reported that the solar energy RFP had been distributed.

##### 6. Parks Committee

Director Estep reported that the Committee had been working on the assignment clause for the Club Circle Golf Course lease. Mr. Rolwing reported that efforts are underway to create a homeowners' association at Club Circle, which might take over the lease if the District elects not to renew it. President Hart had informed Bob Moore, the greens keeper, that there could be a change in lessee next year.

##### 7. Asset Ad Hoc Committee

President Hart reported that the Committee had been working on the water credit transactions.

##### 8. Personnel Committee

No report.

##### 9. Negotiating Committee

No report.

##### 10. CFD Committee

Director Estep reported that he knew of a bond attorney in Encinitas and would report to the Board after meeting him.

#### **VI. INFORMATION ITEMS**

- Candidate Filing Guides for the upcoming General Election are now available at the District office or the office of the Registrar of Voters, 5600 Overland Ave., San

Diego. The District will have three (3) director positions available for 4 year terms. Each candidate must be a resident voter of the district. Filing deadline is 5 p.m., August 8, 2014: Ms. Del Bono reported that to her knowledge, one candidate had filed to date.

- The California Energy Commission in concert with SDG&E is looking at placing 500KV power lines through the Anza-Borrego Desert State Park in the wake of closing of the San Onofre Nuclear Generating Station. See option #5 in the “Transmission Options” document – prepared by Aspen Environmental, the same group that did the evaluation for the Sunrise Power line – published on the Energy Commission’s website in May 2014 and can be viewed at <http://www.energy.ca.gov/2014publications/CEC-700-2014-002/CEC-700-2014-002.pdf>: President Hart invited the Board’s attention to the referenced website. Director Lyle Brecht noted that the proposed power lines would go through the middle of the State Park. This is only one option, but the Park has been forbidden to comment; public comments are accepted.

## **VII. CLOSING PROCEDURE**

There being no further business, the Board adjourned at 10:30 p.m. The next Special Meeting of the Board of Directors is scheduled for September 16, 2014 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for September 24, 2014 at the Borrego Water District.