

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, January 28, 2015
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 Brecht, Delahay, Estep, Tatusko

Staff: Jerry Rolwing, General Manager
Greg Holloway, Operations Manager
Diana Del Bono, Administrative Assistant
Morgan Foley, McDougal Love Eckis Boehmer & Foley (via teleconference, Item II.D only)
Wendy Quinn, Recording Secretary

Public: Jim Engelke, Jack Light Dennis Daoust
Jim Wilson Susan Percival, Club Circle East
Emily Brooks Jim Wermers
Peter Vogel, Tandem Solar

D. Approval of Agenda: **MSC: Brecht/Estep approving the Agenda as amended (moving Item II.D to the end of Current Business Matters).**

E. Approval of Minutes:

Regular meeting of December 17, 2014

MSC: Brecht/Tatusko approving the Minutes of the Regular Meeting of December 17, 2014 as corrected (Item I.G, first sentence, change “Borrego Water Coalition proposal” to “Borrego Water Coalition policy recommendations”; and in the next-to-the-last sentence, revise in part to read, “. . . so it can be included in the District’s Board package, which is published on the website”; Item V.2, fourth line, revise in part to read, “. . . past years’ deferred maintenance . . .”; and in the last line, revise in part to read, “which deals with makes land use recommendations for the Borrego Valley to the County, . . .”)

F. Comments from Directors and Requests for Future Agenda Items: Director Brecht requested inclusion of a discussion of the UCI Burnand Research Center aquifer monitoring issues in a future Agenda. He further noted that a special meeting may be required to approve the Viking Ranch refinancing.

G. Comments from the Public and Requests for Future Agenda Items: Dennis Daoust spoke in favor of maintaining current water rates without a mandated reduction in usage. He noted his landscaping plan had been approved by the Board in 1999, and he has two meters, one for household use and one for irrigation. Mr. Daoust opined that a change in the plantings would reduce his property value. His primary concern was the tiered rate system. President Hart explained that the Board had postponed its review of tiered rates until next year, pending release of requirements arising from the new Sustainable Groundwater Management Act.

Jim Wilson addressed the Board regarding plans for a new community park and the need for a management plan. Land has been set aside by the County and funds have been designated. He urged the Board to consider becoming involved under its park powers.

H. Correspondence: None

II. CURRENT BUSINESS MATTERS

A. Selection of board officers: *MSC: Estep/Delahay electing Beth Hart as President, Lyle Brecht as Vice-President and Joe Tatusko as Secretary/Treasurer.*

B. Solar Request for Proposal Presentation, discussion and possible approval: Jerry Rolwing explained that a proposal had been submitted by Tandem Solar in response to the District's RFP. The Operations & Management Committee felt the price was too high, and preferred an outright purchase of the system to a Power Purchase Agreement, so the RFP was revised to provide for a phased project. Director Tatusko pointed out that with a purchase, rebates would be available. Mr. Rolwing suggested that David Dale distribute the RFP to solar providers.

Jim Engelke pointed out a discrepancy in paragraph 2 of the RFP: The first sentence provides in part, ". . . Contractor/Vendor to . . . own a PV solar system . . ." The next-to-the-last sentence states, "The District intends to purchase the entire system outright." Mr. Engelke further suggested including a workmanship warranty, and Mr. Rolwing agreed to discuss it with Mr. Dale.

Peter Vogel of Tandem Solar objected to the Committee's characterization of Tandem's proposal as too expensive. He felt the price was competitive and noted the estimated 20 percent savings to the District on its electric bill. Further, Mr. Vogel understood that the California solar rebate funds were exhausted and as a public agency, the District would not be eligible for a federal rebate. Mr. Rolwing agreed to check into this with Mr. Dale.

The matter was tabled until the next meeting. Mr. Dale will be asked to provide financial calculations.

C. Discussion of Club Circle Lease agreement which expires June 30, 2015: President Hart reported on the Executive Committee's discussions relative to the District's lease to manage Club Circle Golf Course. Bob Moore, the course manager, is willing to continue. The Homeowners' Association is not yet in a position to take over the operation. The Cameron Brothers are amenable to the District's continued management. The Committee recommends continuing the lease for two more years, and the Cameron Brothers' Board is meeting today to consider the proposal. If approved, it would come back to the BWD Board for final approval.

The Committee further suggested cutting the CSD fee for Santiago Estates in half, pursuant to their repeated requests. Mr. Moore's salary would have to be reduced accordingly, and he has agreed to that.

Director Estep asked how the golf course benefits Borrego Springs, and questioned if the issue should be put to a vote of the public. The extra two years would provide an opportunity to explore these questions. Mr. Wilson reiterated his idea of BWD exercising its park powers, not only at Club Circle but also for the proposed new park and Christmas Circle. Other options include an endowment and establishment of a park district, which could be a 501c3 corporation if approved by the voters. President Hart suggest reestablishing the District ad hoc Parks Committee.

E. Discussion of draft Town Hall meeting agenda: Mr. Rolwing announced that the Town Hall Meeting had been scheduled for March 25 from 4:00 to 6:00 p.m. Suggested items included a summary of the Sustainable Groundwater Management Act by Trey Driscoll and David Aladjem and a report on improvements to the treatment plant and future needs. Mr. Rolwing will prepare a draft Agenda for the Board's consideration at its February workshop.

F. Review of planning calendar: Mr. Rolwing responded to questions from the Board regarding the planning calendar. Director Brecht requested that line 29 be changed to "Water Credit Policy."

D. Approval of agreement with Best Best & Krieger LLP for bond counsel services for restructuring of debt for CFD 2007-1; authorization for President to execute the Agreement in such form as approved by the President and General Counsel: Morgan Foley joined the meeting by teleconference. He confirmed that this would be an appropriate time to discontinue the services of Stradling Yocca Carlson & Rauth as bond counsel. He agreed to draft a letter for President Hart's signature informing them of the action and asking that they forward their files to him. Mr. Foley will also notify T2 Borrego.

President Hart suggested that to take action regarding CFD matters, the BWD Board typically adjourns and reconvenes as the CFD Board. Mr. Foley concurred. She suggested that the CFD Committee work out the details of the arrangement among the District, T2 and Best Best & Krieger. The matter will tentatively be back before the Board at its February 17 meeting, with Mr. Foley participating and T2 contacted in the meantime.

III. STAFF REPORTS

A. Financial Reports – December 2014: Diana Del Bono announced that she had signature cards for Umpqua Bank and Directors should sign them after the meeting.

B. General Manager/Operations Report: Mr. Rolwing offered to answer questions on his written report, included in the Board package.

C. Water and Wastewater Operations Report – December 2014: The Water and Wastewater Operations Report was included in the Board package.

D. Water Production/Use Records - December 2014: Mr. Rolwing announced that the two new wells at Rams Hill would be included in next month's report. Director Tatusko suggested that the water production/use records be included in the Town Hall Meeting Agenda.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Brecht reported that a draft transmittal letter would be ready soon.

2. Due-Diligence

Director Brecht reported that the Committee is working on the cost and funding mechanism for the Groundwater Sustainability Plan.

3. Strategic Planning Committee/IRWM

The Committee will be meeting with the Borrego Water Coalition in February and has been discussing the Sustainable Groundwater Management Act with the County.

4. Executive Committee

The Executive Committee activities were covered previously.

5. Operations & Management Committee

Director Delahay reported that the Committee had been addressing solar issues.

6. Negotiating Committee

The Negotiating Committee was reconstituted as the Parks Committee.

7. CFD Committee

This report was covered previously.

VI. INFORMATION ITEMS

None.

VII. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

A. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. One potential case: The Board adjourned to closed session at 10:25 a.m., and the open session reconvened at 11:30 a.m. There was no reportable action.

Jack Khurts addressed the Board regarding his desire to create a solar facility on some of his property and his need for water. President Hart asked that he meet with the Operations & Management Committee first, and a Committee meeting was scheduled immediately following the Board meeting.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:35 a.m. The next Special Meeting of the Board of Directors is scheduled for February 17, 2015 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for February 25, 2015 at the Borrego Water District.