

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, February 25, 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,
Secretary/Treasurer Tatusko, Delahay, Estep

Staff: Jerry Rolwing, General Manager
 Greg Holloway, Operations Manager
 Morgan Foley, McDougal Love Eckis Boehmer & Foley (via
 teleconference, Item IX only)

 Wendy Quinn, Recording Secretary

Public: Emily Brooks Bill Burton
 Jeannie Beck, *Borrego Sun* Darby Burton

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

E. Approval of Minutes:

 Special meeting of January 20, 2015

**MSC: *Brecht/Delahay approving the Minutes of the Special Meeting of
January 20, 2015 as corrected (Item I.A, paragraph 2, change “our General Plan” to “the
General Plan”)*.**

 Regular meeting of January 28, 2015

**MSC: *Brecht/Tatusko approving the Minutes of the Regular Meeting of
January 28, 2015 as corrected (Item I.F, change “aquifer” to “air quality”; Item II.C,
paragraph 2, change “salary” to “fee”; Item VII.A, set up the sentence, “The open session
reconvened at 11:30 a.m.” as a heading, to clarify that Jack Khurts’ remarks were made in
open session)*.**

F. Comments from Directors and Requests for Future Agenda Items: Director Tatusko announced a workshop on Proposition 1 funding in Riverside, March 26, 9:30 a.m. to 3:00 p.m. He and Jerry Rolwing will attend, and public comments will be solicited at the March Special Board Meeting.

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

H. Correspondence: The Borrego Water Coalition had written to the District and the County asking what type of role they would like the BWC to take in the GSP.

 Mr. Rolwing reported he had met with Jim Rickard of the Dark Sky Coalition to address concerns regarding one of the District’s lights.

 ACWA/JPIA has recognized the District for its safety record. Mr. Rolwing thanked Greg Holloway, the crew and office staff.

 The Executive Committee will speak with Dennis Daoust regarding the concerns raised in his letter.

II. JOINT MEETING OF BORREGO WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2007-1 AND BORREGO WATER DISTRICT

- A. Call to order
- B. Roll Call

III. CURRENT BUSINESS MATTERS BEFORE THE JOINT MEETING OF BORREGO WATER DISTRICT COMMUNITY FACILITIES DISTRICT AND BORREGO WATER DISTRICT

A. Approval of Agreement between Community Facilities District No. 2007-1 and Best Best & Krieger LLP, San Diego, for Bond Counsel Services for the Restructure or Refinancing of the Community Facilities District's \$9,530,000 Community Facilities District No. 2007-1 (Montesoro) of Borrego Water District 2007 Special Tax Bonds

B. Adjournment of meeting of Board of Directors of Borrego Water District Public Facilities Corporation

These items were tabled until the next meeting pending receipt of the agreement from Morgan Foley.

IV. CURRENT BUSINESS MATTERS

A. Discussion of the UCI Burnand Research Center air quality monitoring issues: Director Brecht explained two issues under consideration by the UCI Burnand Research Center: (1) water use during construction, for example at the solar farms, although dust is still a problem; and (2) the future issue of dust emanating from fallowed agricultural land. UCI has received a National Science Foundation grant for air quality monitoring and has asked BWD what it might need from them. President Hart suggested asking them to establish a baseline now, so that future air quality can be measured against it. Mr. Rolwing pointed out other areas in addition to solar farms and fallowed farmland which contribute to air pollution, i.e. Coyote Canyon and the Ocotillo Wells off-road vehicle park. He also noted that mulching is required to abate dust from fallowed land. Further investigation into these issues was referred to the Due Diligence Committee.

B. Review and possible approval of Town Hall agenda: Mr. Rolwing announced the theme of this year's Town Hall Meeting, "Taking Control of Our Water Future." Martha Deichler has agreed to open the meeting, and Jim Bennett will make a presentation. Mr. Rolwing summarized the proposed agenda items, and the Board concurred.

C. Discussion and possible approval Resolution 2015-02-01: support of Paul Dorey to the ACWA/JPIA Executive Committee: *MSC: Brecht/Delahay adopting Resolution 2015-02-01 in support of Paul Dorey's election to the ACWA/JPIA Executive Committee.*

D. Review of Planning Calendar: President Hart expressed concern regarding the 24-month extension of the Club Circle Golf Course lease without modifying the provision for a 5-year extension option in the original agreement. Director Estep explained that approval of the 24-month extension would override the 5-year option. The Executive Committee will explore this issue further.

V. STAFF REPORTS

A. Financial Reports – January 2015: The Financial Reports were included in the Board package.

B. General Manager/Operations Report: Mr. Rolwing invited the Board's attention to an addendum to his written report, providing information on Proposition 1 funding. Phased opportunities will begin in March, and the first one applicable to BWD will be the Small Community Wastewater Grants in June. Further investigation was referred to the Operations & Management Committee. Possibilities include a jetting and cleaning program and improvements to the wastewater treatment plant. President Hart suggested asking Jan Naragon to help write the grant application.

Director Brecht pointed out that the reference to the GSP deadline in Mr. Rolwing's written report should be 2020, rather than 2022.

Mr. Rolwing reported that infrastructure repairs are proceeding. The District needs to address issues associated with the small crew and old equipment in the new budget. Staff is working with the Operations & Management Committee on this.

C. Water and Wastewater Operations Report – January 2015:

D. Water Production/Use Records - January 2015:

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

VI. ATTORNEY'S REPORT

None

VII. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

No report.

2. Due-Diligence

Director Brecht reported that the Committee had been negotiating with banks regarding the Viking refinancing.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee was continuing to meet with the BWC and working on plans for the Town Hall Meeting. Director Brecht added that they were also tracking legislation relative to GSA requirements and working with the County on this and the projected costs.

4. Executive Committee

Director Estep reported that the Committee was working on Mr. Daoust's concerns. President Hart added that they were also addressing the Club Circle Golf Course lease extension.

5. Operations & Management Committee

Director Delahay reported that the Committee would be meeting soon. Mr. Rolwing reported that the solar RFP had been distributed, and proposals are due March 16. David Dale will follow up with potential bidders.

6. Parks Committee

Mr. Rolwing reported that the Community Sponsor Group has formed a committee to look into the creation of a new park. Instead of the 16 acres donated by the County, they are considering a ¾-acre park on Palm Canyon Drive, either in front of Casa Del Sol or between Jilberto's and the Mall. Plans are on hold pending the County's decision on the location of the new library.

7. CFD Committee

The Committee is awaiting information from Mr. Foley.

VIII. INFORMATION ITEMS

A. ACWA/JPIA 2015 Spring Conference Schedule: Mr. Rolwing announced the Conference, May 4 through 7 in Sacramento.

IX. 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 10:00 a.m.

The open session reconvened at 11:04 a.m. There was no reportable action.

Mr. Foley participated via teleconference. President Hart referred to the Board's discussion at its January 28 meeting regarding approval of an agreement with Best Best & Krieger for bond counsel services in restructuring the debt for CFD 2007-1. Mr. Foley had stated this would be an appropriate time to terminate the services of Stradling Yocca Carlson & Rauth and agreed to draft a letter for President Hart's signature notifying them. He also agreed to notify T2 Borrego. Mr. Foley stated he had not yet formally notified T2 but was negotiating with them and with Best Best & Krieger on some final details. President Hart inquired about the status of the final term sheet. Mr. Foley explained that the agreement would provide for an hourly rate and a \$20,000 retainer deposit, against which services could be billed. Estimate for a complete restructuring is \$30,000 to \$50,000. T2 is agreeable to the estimate. Mr. Foley recommended approval subject to such changes as may be approved by the Board on recommendation of counsel. President Hart requested prior review by the Executive Committee.

President Hart then adjourned the Borrego Water District meeting and opened a joint meeting of the BWD and Community Facilities District No. 2007-1. The meeting was called to order and roll call confirmed all Board members present. ***MSC: Estep/Brecht approving the Agreement between CFD No. 2007-1 and Best Best & Krieger LLP, San Diego, for Bond Counsel services for the restructure or refinancing of the CFD's \$9,530,000 CFD 2007-1 (Montesoro) of BWD 2007 Special Tax Bonds; subject to review by the BWD Executive Committee and subject to such changes as may be approved by the Board on recommendation of counsel.***

President Hart adjourned the joint BWD/CFD meeting and reopened the BWD meeting. Mr. Foley will be in touch with the Executive Committee. Mr. Rolwing inquired about the unpaid balance of \$38,000 in the CFD trust fund. Mr. Foley replied that he had hoped the funds could be used for Best Best & Krieger fees, but they are needed to pay outstanding bills to the Stradling firm.

X. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:13 a.m. The next Special Meeting of the Board of Directors is scheduled for March 17, 2015 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for March 25, 2015 at the Borrego Water District. The Town Hall meeting is scheduled for March 25, 2015 at the Performing Arts Center.