

**Borrego Water District  
MINUTES  
Regular Meeting of the Board of Directors  
Wednesday, March 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  
                  Diana Del Bono, Administrative Assistant  
                  Wendy Quinn, Recording Secretary

Public:       Emily Brooks                     Jack Kuhrts  
                  Jeannie Beck, *Borrego Sun*

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

E. Approval of Minutes:

Special meeting of February 17, 2015

**MSC: Brecht/Tatusko approving the Minutes of the Special Meeting of February 17, 2015 as corrected (Item II.A, paragraph 1, change the first sentence to read in part, “. . . inquired about implementation funding . . . ;” paragraph 3, change the first sentence to read, “President Hart explained the current water credit system and how it will need to be changed to address maintaining its current 1:1 ratio;” Item II.B, first sentence, change “GMA” to “SGMA”).**

Regular meeting of February 25, 2015

**MSC: Brecht/Tatusko approving the Minutes of the Regular Meeting of February 25, 2015 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: Letter from Borrego Water Coalition: Jerry Rolwing announced that the BWC had written to BWD and the County regarding its role in the Groundwater Sustainability Plan. The issue will be discussed further in closed session, referred to the Strategic Planning Committee and revisited at one of the April Board meetings.

**II. CURRENT BUSINESS MATTERS**

A. Discussion and possible approval of Agreement for Consulting Services with David Taussig & Associates to provide financial consulting: Mr. Rolwing explained that Taussig & Associates answers tax questions for the District and works with the County Assessor to include some of the District’s funding on the property tax roll. He recommended approval of the consulting agreement for a maximum of \$2,750. **MSC: Brecht/Estep approving the Agreement for Consulting Services with David Taussig & Associates to provide financial consulting and authorizing the General Manager to sign it.**

B. Discussion and possible decision regarding hiring a consultant to address uncertainties regarding return flow impact on reduction policy: Director Brecht explained that the BWC's recommendation to reduce withdrawals from the aquifer by 70 percent over 20 years was thought to be too high by some because of the impact of return flows from agriculture, golf courses and septic tanks. Mr. Rolwing recommended that this issue be addressed in the Groundwater Sustainability Plan, and Director Brecht asked him to contact an engineering firm and request a cost estimate for assistance in including it in the GSP. Another source of information would be the USGS.

C. Discussion and possible decision regarding hiring a consultant project manager to identify price and coordinate all the GSP related activities: Director Brecht noted that the District is already spending money on the GSP, and he recommended identifying a way to spread these expenses among all water users in Borrego Valley. He also suggested a consultant to help in developing the GSP. Mr. Rolwing suggested Dudek, and the Board agreed that the Due Diligence Committee would meet with Dudek's representative to develop a scope of work.

D. Discussion and possible decision regarding directing District Counsel to prepare a funding mechanism to pay for GSP related costs: This issue was referred to the Due Diligence Committee.

E. Discussion and possible decision regarding the acceptance of water credits and land by the District from potential donors: Director Brecht explained that there are some agricultural landowners in the Borrego Valley who would like to consider donating land or water credits to the District for tax advantages. He suggested seeking legal advice. Mr. Rolwing suggested asking the potential donor to pay for the opinion. The matter was referred to the Due Diligence Committee for consultation with Morgan Foley.

F. Discussion of modifying the Water Credit policy in respect to A-1 and A-2 credits: Mr. Rolwing referred to the District's Water Credit Policy, which designates different types of credits; i.e., A-1 for County New Development Projects and A-2 for Borrego Water District only. The Board previously agreed that T2 Borrego could convert AG-2 credits to AG-1 at a 1.33:1 ratio. Mr. Rolwing recommended adoption of an amendment to the Water Credit Policy to allow other applicants to take advantage of the conversion offered to T2, at the same ratio. ***MSC: Brecht/Delahay referring the matter to the Executive Committee to develop policy language.***

G. Discussion and possible approval of awarding contract for construction of solar array at the Wastewater Treatment Plant: Director Tatusko distributed a summary of the proposals for a solar power system reviewed by the Operations and Management Committee and the Committee's findings and recommendations. The Committee recommended an outright purchase of the system based on its larger long-term savings as compared to a power purchase agreement. After reviewing all proposals, the Committee recommends purchasing a turnkey 100kW system using LTS Solar Energy out of Ramona, CA. The total cost would be \$325,360. Mr. Rolwing noted that other organizations which had worked with LTS had very favorable comments. ***MSC: Brecht/Estep approving the contract with LTS Solar Energy on the recommendation of the Operations and Management Committee and authorizing the General Manager to sign the contract.***

Director Brecht recommended establishing a method by which to evaluate the success of the solar system, and Mr. Rolwing stated that David Dale is already working on it. Director Brecht further suggested that in the next Proposition 218 process, consideration be given to an energy cost pass-through to the ratepayers. Mr. Foley should be consulted on this.

**H. Review of Planning Calendar:** President Hart inquired about the draft MOU with the County regarding GSP development. Mr. Rolwing informed her he had a meeting with the County on April 14, and suggested the item be moved to April on the planning calendar, and the implementation of GSP funding mechanism and start of GSP development be moved to June.

Director Brecht suggested that the check to see if water credit pricing needs to be adjusted (Item 29) be reviewed by the Due Diligence Committee to determine if it should be done more frequently in light of the GSP.

### **III. STAFF REPORTS**

**A. Financial Reports – January 2015:** Director Tatusko suggested a single line item for groundwater management.

**B. Financial Reports – February 2015:** The February Financial Reports were included in the Board package.

**C. General Manager/Operations Report:** Greg Holloway reported a main break at the end of Flying H. The District is investigating easement rights in the area.

Mr. Rolwing reported that Claudia Faunt, USGS, had provided updated text and tables for her report via e-mail. A hard copy is expected within two months. Mr. Rolwing and Director Tatusko will attend a State Water Resources Control Board workshop tomorrow. Repairs to District lighting requested by the Dark Sky Coalition have been completed and approved by the Coalition. Three agricultural properties are awaiting following.

Director Brecht pointed out that the deadline referenced in paragraph 1 under “District Level” in Mr. Rolwing’s written report should be 2020.

**C. Water and Wastewater Operations Report – February 2015:** Mr. Holloway reported that the District has renewed its meter replacement program. Seventy to eighty percent of the meters in ID4 were replaced during the last program. The “water loss” (unaccounted-for water) is continuing to decline.

**D. Water Production/Use Records - February 2015:** 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 was continuing to work on 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.

##### 4. Executive Committee

President Hart reported that the Committee was working with a representative of the Cameron Brothers to rewrite the Club Circle Golf Course lease.

The Committee has not yet met with Mr. Daoust to address his water rate concerns.

5. Operations & Management Committee

Director Delahay referred to Mr. Holloway's report, and added that the Committee had been working on the solar proposals.

6. Parks Committee

Director Brecht pointed out that it will be important during the next two years to determine how the parks' water will be funded.

7. CFD Committee

The Committee is awaiting information from Mr. Foley.

**VI. INFORMATION ITEMS**

**A. Groundwater Sustainability Program – Draft Strategic Plan:** The DWR's draft strategic plan for the Groundwater Sustainability Program was included in the Board package. Director Brecht suggested including a link to it in the District's website.

**B. Town Hall Agenda:** The Town Hall Meeting Agenda was included in the Board package.

**C. JPIA Memorandum:** Referring to a memo from JPIA in the Board package, Director Tatusko noted that the District's rates have been reduced, and BWD was mentioned in the JPIA newsletter for its commitment to the safety program.

**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 10:30 a.m. The open session reconvened at 12:00 p.m. There was no reportable action.

**VIII. CLOSING PROCEDURE**

There being no further business, the Board adjourned at 12:00 p.m. to 4:00 p.m. for the Town Hall Meeting at the Performing Arts Center. The next Special Meeting of the Board of Directors is scheduled for April 14, 2015 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for April 22, 2015 at the Borrego Water District.