

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, December 16, 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 (via teleconference)

Staff: Jerry Rolwing, General Manager
 Greg Holloway, Operations Manager
 Kim Pitman, Administration Manager
 Wendy Quinn, Recording Secretary

Public: Ray Shindler Trey Driscoll, Dudek
 John Peterson Harry Ehrlich
 Julie Taylor Rick Alexander
 Sara Lockett, Ocotillo
 Wells SVRA

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

E. Approval of Minutes:

Regular meeting of October 28, 2015

MSC: Brecht/Delahay approving the Minutes of the Regular Meeting of October 28, 2015 as corrected (Item II.A, first paragraph, third from the last line, change in part to read, “. . . and are the Imperial County portion of the basin is not in overdraft”; last sentence in the first paragraph, add at the end, “. . . of the Borrego Valley Groundwater Basin in its present configuration.”)

Regular meeting of November 18, 2015

MSC: Brecht/Delahay approving the Minutes of the Regular Meeting of November 18, 2015 as corrected (Item II.A, Minutes page 1/Agenda page 7, fourth line from bottom, change “possible” to “possibly.”)

F. Comments from Directors and Requests for Future Agenda Items: None

G. Comments from the Public and Requests for Future Agenda Items: Ray Shindler presented preliminary information on funding the GSA process. He had spoken with a staff member from Senator Anderson’s office, a representative of the California Rural Water Association and a hydrogeologist. There are some grants available, and Senator Anderson’s assistant suggested approaching the Legislature with a request for financial assistance with this unfunded mandate. Jerry Rolwing stated that he was preparing a letter to legislators and had already met with one of them, and President Hart added that Mr. Rolwing was working with Dudek’s grant specialist. She asked that future information on grants be submitted to Director Tatusko.

H. Correspondence: None

II. CURRENT BUSINESS MATTERS

A. Presentation of President's Special Recognition Awards from ACWA/JPIA: Mr. Rolwing announced that the District had received the President's Special Recognition Award from ACWA/JPIA in appreciation of its outstanding safety record.

B. Update on Basin Boundary Adjustment process: Mr. Rolwing explained that after the first of the year, we have 90 days to submit the basin boundary adjustment application to DWR. Upon their approval, it will go to the California Water Commission for final implementation. Trey Driscoll of Dudek recommended a meeting or conference call with Tim Ross of DWR to ensure all pumpers in the Borrego Valley are included.

C. Discussion of progress meeting the Executive Order B-29-15 requiring a 25% mandatory reduction in water use by the District: Mr. Rolwing reported that since unfortunately nonpotable water sales could not be deducted in calculating the 25 percent reduction, the District's total reduction compared to 2013 is 8 percent. President Hart pointed out that in 2013 Borrego had 4.18 inches of rain, compared to this year's level of 0.2.

D. Discussion of FY 2017-FY 2021 rate study time line and data request: Mr. Rolwing reported that Raftelis has recommended moving the Proposition 218 public hearing on the proposed rate adjustment to April 15, 2016. Director Brecht reminded staff to include the rate study time line milestones on the planning calendar.

E. Discussion of Groundwater Sustainability Plan (GSP) development costs sharing among municipal, recreation and agricultural groundwater users: Director Brecht introduced this discussion item, designed to assist Raftelis in financial planning for GSP development. The total cost estimate is \$1.3 million. Director Brecht outlined alternative cost sharing scenarios, noting that the blended option appears most appropriate (42 percent each for municipal and agriculture, 16 percent for recreation).

F. Report from Ad Hoc Citizen's Committee regarding water conservation policy recommendations: John Peterson presented the Ad Hoc Citizens' Committee report on water conservation policy recommendations. The Committee of ten has been working since August. They addressed three primary areas: baseline water usage, potential incentives and disincentives, and education and planning. They intend to finalize the recommendations and bring them back to the Board for final approval at the January 19 meeting.

Julie Taylor, a Committee member, expressed opposition to the baseline recommendation for residential users. She noted that she had invested as much in her landscaping as some businesses, and felt the industry standards were arbitrary and not applicable to the Borrego Basin. Discussion followed regarding the time required for District staff to analyze each individual property and the intent of the Committee to make the recommendations fair to the majority. Mr. Peterson emphasized the fact that the Board can change the Committee's proposal. Harry Ehrlich, another Committee member, pointed out that an appeal process is proposed, and Mr. Rowling added that the filing of an appeal could trigger an irrigation audit.

Director Brecht suggested an outline of the steps required to implement the Committee's recommendations. President Hart recommended seeking Morgan Foley's advice on this, i.e., is a public hearing required? A resolution?

Director Delahay brought up the costs involved in implementing the Committee's recommendations, and Committee member Rick Alexander recommended applying for a Water Smart grant. The next deadline is January 20, but other opportunities will come up during the year. This might cover the cost of irrigation audits. Mr. Rolwing agreed to investigate. Director Brecht suggested including the total cost estimate in the 2016 budget, but still applying for grants.

G. Consideration and possible approval of process for handling claims received for Tier 2 refunds: Kim Pitman reported 25 claims had been received in the preceding month, totaling approximately \$8,500. **MSC: Brecht/Delahay approving the claims submitted.**

H. Review of planning calendar: Mr. Rolwing reported that the CASGEM report had been submitted. T2 Borrego did not use spare capacity during the past invoice period.

III. STAFF REPORTS

A. Financial Reports – November 2015: Ms. Pitman reported that the District had received the Rams Hill Golf Course reimbursement.

B. General Manager/Operations Report: Mr. Rolwing invited the Board's attention to his written response to the State Water Resources Control Board concerning the 25 percent water use reduction, included in the Board package. The Bureau of Reclamation report has been released and is on the website.

C. Water and Wastewater Operations Report – November 2015: Greg Holloway reported that staff is still trying to resolve the odor problem in the treatment plant area. On the freshwater side, issues with the 800 Tank continue. A new liner has been installed and inspected, but the vendor hasn't yet transmitted the results. Mr. Holloway will follow up. A recent inspection by the Department of Drinking Water yielded favorable results.

Mr. Rolwing stated he hoped to replace the 800 Tank with the Wilcox Reservoir, and recommended including it in the new budget. Mr. Holloway added that the DDW is expected to require some action regarding the 800 Tank. He recommended taking it out of service and using alternative boosters.

D. Water Production/Use Records – November 2015: 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

No report.

2. Due-Diligence

Director Brecht reported the Committee had received a report on the economic value of groundwater from Dudek. It will be presented to the Board for review in January. The report will be useful in justifying tiered rates, water credits and penalty costs for exceeding SGMA reduction targets. Director Brecht recommended that Mr. Rolwing's table showing how the water use reduction program would affect specific users be attached to the Dudek report. Mr. Rolwing added that an explanation of the required steps for developers relative to water credits should be provided. Director Brecht announced that the Committee would be meeting today, following the Board meeting.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee was continuing to work with the County on an agreement between them and BWD once the County files for GSA status. The Committee is also continuing to meet with the Borrego Water Coalition.

4. Executive Committee

President Hart reported that the Committee had requested assistance from Mr. Foley concerning the 218 process. Director Estep will follow up.

5. Operations & Management Committee

Mr. Rolwing announced that the solar project is complete, and we are awaiting final approval from San Diego Gas & Electric. Director Tatusko reported that the Committee was working with Mr. Rolwing on the Capital Improvement Plan, and was also working with the Ad Hoc Citizens' Committee. Director Delahay noted that cost estimates for the Wilcox Reservoir

are continuing to escalate, and discussion followed regarding possible sources of funding. Director Tatusko offered to look into the I-Bank.

6. Parks Committee

President Hart reported she had asked Director Estep to speak to the Club Circle Homeowners Associations about the coming expiration of the District's golf course management agreement, which will probably not be renewed.

7. CFD Committee

No report.

8. Conservation Committee

No report.

VI. INFORMATION ITEMS

A. Article for the Borrego Sun by Jim Melvin: Mr. Rolwing invited the Board's attention to an article by Jim Melvin, included in the Board package, which Mr. Melvin intends to submit to the *Borrego Sun*.

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:20 a.m. The next Special Meeting of the Board of Directors is scheduled for January 19, 2016 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for January 27, 2016 at the Borrego Water District.