

**Borrego Water District
CORRECTED MINUTES
Special Meeting of the Board of Directors
Tuesday, February 16, 2016
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
 Wendy Quinn, Recording Secretary

 Public: Trey Driscoll, Dudek Bill Haneline
 Ray Shindler Susan Percival, Club Circle East
 John Peterson Harry Ehrlich
 Dan Van Vactor Craig Fisher, OWSRVA
- D. Approval of Agenda: **MSC: Brecht/Estep approving the Agenda as written.**
- E. Comments from Directors and Requests for Future Agenda Items: None
- F. Comments from the Public and Requests for Future Agenda Items: Susan

Percival, General Manager of Club Circle East, requested for the workshop agenda in March discussion of the Community Services District issues (golf course and trash collection).

II. CURRENT BUSINESS MATTERS

A. Public Hearing on Borrego Valley Groundwater Basin (BVGB) boundary adjustment application to the California Department of Water Resources (DWR): President Hart opened the public hearing at 9:05 a.m. Trey Driscoll of Dudek narrated a slide presentation, opening by explaining to the public that they had opportunity to comment on the District's boundary adjustment application until March 31, and 30 days thereafter to comment directly to DWR. He went on to summarize the Sustainable Groundwater Management Act (SGMA), noting that the BVGB is a medium priority basin in a state of critical overdraft. We need to achieve sustainable management by 2040. BWD and the County of San Diego have both applied for Groundwater Sustainability Agency (GSA) status and are working on an agreement to serve together. GSAs can measure extraction, impose limits and assess fees. By 2020 we need to have a Groundwater Sustainability Plan (GSP) in effect, and thereafter submit progress reports in five-year increments. If local agencies do not present a plan, the State Water Resources Control Board can take over the basin.

Mr. Driscoll went on to explain the proposed BVGB boundary adjustment. It will enable us to better monitor the basin and focus on the area of critical overdraft. The BVGB was expanded in 2003 to include portions of Imperial County, which is not in overdraft. The proposal is to form two basins, a smaller BVGB and the Ocotillo Wells Groundwater Basin. The division is based on hydrogeological boundaries and a hydrography dataset. The new basin can be sustainably managed and would not be damaged by the division.

Mr. Driscoll offered forms for submission of written comments to the District, including the author's name, address and e-mail address and the scientific basis for support or opposition. Jerry Rolwing noted that letters of support have been submitted by San Diego and

Imperial Counties. John Peterson, a Certified Hydrogeologist, expressed support for the boundary adjustment. Harry Ehrlich and Ray Shindler agreed. Hearing no further comment, President Hart closed the public hearing at 9:35 a.m.

B. Discussion of Dudek municipal well water quality monitoring proposal: Director Brecht explained that although Dudek has not yet submitted a proposal for municipal well water quality monitoring, the Due Diligence Committee put the item on the agenda for discussion in connection with plans for the new Wilcox Reservoir, which is included in the District's Capital Improvement Plan and is necessary to meet water quality standards. In seeking financing, the Committee hopes Dudek can establish the need for this reservoir as the best solution to future water quality issues.

Mr. Rolwing noted that several years ago the District applied for a grant to identify several significant wells in the Borrego Valley and monitor them to detect changes in water quality. The application was unsuccessful, and now wells are monitored only at three-year intervals per State requirements. Increased monitoring could be included in the USGS model, water quality element.

Director Brecht pointed out that there are two different approaches contemplated for water quality monitoring: The Dudek program, which should begin soon to support construction of the Wilcox Reservoir, and the USGS program, which is a longer term and more expensive effort. Mr. Ehrlich noted that the Dudek study can use existing wells, whereas USGS has suggested drilling a new well. Mr. Rolwing recommended consulting the Borrego Water Coalition on the Dudek/Wilcox study. He further explained that the USGS could use existing wells, but they would have to be cleaned first. He recommended using production wells.

Mr. Peterson suggested forming a technical committee to investigate, comprised of himself, Mr. Rolwing, Mr. Driscoll, and Jim Bennett from the County of San Diego. Director Brecht supported the idea. President Hart asked the Operations & Management Committee to work with the technical committee. Director Brecht suggested including the costs of the Dudek study in GSP development.

C. Discussion of USGS depth dependent water quality monitoring proposal: This item was covered during the previous item.

D. Discussion of Dudek memo regarding Sustainable Groundwater Management ACT (SGMA) compliant 4:1 water credits ratio: Mr. Driscoll explained that the District's existing water credit mitigation policy, a 1:1 ratio, is linked to achieving no net increase in the overdraft. Under SGMA, the policy must be designed to achieve sustainability. After studying the issue, Dudek recommends a 4:1 water credit mitigation ratio. Discussion followed regarding the economic value of a water credit, and Mr. Driscoll stated he was currently working on a market analysis.

E. Discussion of budget to develop business case for accepting the donation of farmland to meet Sustainable Groundwater Management Act (SGMA) municipal use reduction targets: Mr. Rolwing suggested using Mr. Driscoll's data to address the District's rights and obligations relative to the donation of farmland. President Hart questioned whether water rights would accrue to the District along with acceptance of the donated land. Discussion followed, including different opinions on the answer to this question. The matter was assigned to the Due Diligence Committee.

F. Discussion of Groundwater Sustainability Agency (GSA) formation coordination with San Diego County: Director Brecht reported that the County had requested more detail concerning BWD's GSP development budget. He suggested a closed session with David Aladjem following the next Board meeting.

G. Discussion of business case for updating the District's water credits and developer (new connections) policies as soon as possible: Director Brecht noted that both developers and

farmers are anxious to finalize the new water credit policy. Mr. Rolwing agreed to include it on the next agenda, and President Hart asked Board members to be prepared to vote on it. Meanwhile, Mr. Rolwing will follow up on the request for comments from Mr. Aladjem and ask him to communicate with the Strategic Planning Committee.

H. Discussion of progress regarding Raftelis Financial rate study and reserves policy recommendations: Mr. Rolwing reported that the Due Diligence Committee was still waiting for the Raftelis report.

I. Discussion regarding progress towards implementing the Borrego Water Coalition's policy recommendation in a Groundwater Sustainability Plan (GSP) for the Borrego Valley Groundwater Basin (BVGB): The Board discussed the Borrego Water Coalition's policy recommendations relative to the GSP. It was the consensus that the District is not yet ready to implement them, and may start with the voluntary program. Mr. Shindler expressed concern regarding paragraph 4, wherein the Coalition recommends and supports the development of separate funding mechanisms and states that the Coalition members' support would be considered non-binding absent such mechanisms.

J. Discussion and update on mandatory drought-related conservation targets for governor's Drought Executive Order for 2016: President Hart announced that the District had been cited by the State Water Resources Control Board for failure to meet its 25 percent water use reduction target pursuant to the Governor's Drought Executive Order. She noted that Wendy Quinn is writing regular articles for the *Borrego Sun*, summarizing actions at the Board meetings, while Jeannie Beck had been asked to write specifically about the violation. President Hart had learned that the District could change from seeking an overall 25 percent water use reduction to simply mandating that residents irrigate only two days a week. Mr. Rolwing explained that an ordinance would be required, and fines could be imposed for exceeding the two days a week irrigation. Director Brecht suggested asking Morgan Foley to draft the necessary ordinance, but continue to work toward a 25 percent reduction as well. Mr. Rolwing recommended including irrigation audits in next year's budget. Raftelis will be notified of the District's intention, and the matter will be on the next agenda.

K. Discussion of rate increase messaging: Director Brecht invited the Board's attention to his proposed presentation for the Town Hall Meeting, included again in the Board package for information. President Hart asked Mr. Driscoll to include a summary of his presentation today on SGMA in the Town Hall agenda.

L. Discussion and approval of Resolution 2016-02-01, *Resolution of the board of directors of the Borrego water district authorizing the general manager to submit an application for funding under the water quality, supply and infrastructure improvement act of 2014 (Proposition I):* Mr. Rolwing explained that the District's recent application for Proposition 1 funding had been rejected by the State Water Resources Control Board because it didn't make reference to water recycling facilities. The Resolution currently before the Board would authorize resubmittal of the application with those words added. ***MSC: Brecht/Delahay adopting Resolution 2016-02-01, Resolution of the Board of Directors of the Borrego Water District Authorizing the General Manager to Submit an Application for Funding under the Water Quality, Supply and Infrastructure Improvement Act of 2014 (Proposition I).***

M. Discussion of Town Hall agenda and meeting date: Mr. Rolwing reported that Greg Holloway would like to talk about infrastructure, specifically problems with the 800 Tank and plans for the Wilcox Reservoir. President Hart stated that Mr. Bennett had agreed to make a presentation about the County's role in SGMA, which could lead into Mr. Driscoll's comments. Something on water quality issues may also be included. It was agreed to schedule the Town Hall Meeting for March 30.

N. Discussion of potential agenda items for February 24th board meeting: Agenda items for the next meeting will include discussion and possible approval of an ordinance concerning irrigation restrictions, a resolution adopting the 4:1 ratio for mitigation water credits, a closed session with Mr. Aladjem, Mr. Driscoll's water credit market valuation, a draft water quality proposal, review of a draft Town Hall Meeting agenda, and a report from Raftelis.

III. INFORMATIONAL ITEMS

Bill Wright Petition: President Hart explained that Mr. Wright had circulated a petition among non-profit agencies and other organizations, asking for support for an increase in the size of the community room at the proposed new library. He proposes to increase the size from 2,000 square feet to 4,350, increasing the capacity from 93 people to 250. The additional expenditure would be \$500,000, and the community would have to raise 10 percent. The Board expressed support, and President Hart signed on behalf of the District.

Craig Fisher, an environmental scientist from the Ocotillo Wells State Recreational Vehicle Area, introduced himself.

President Hart reported that UCI was concerned about an invasive species in the area and had asked Mr. Rolwing to contact them.

IV. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:55 a.m. The next Regular Meeting of the Board of Directors is scheduled for February 24, 2016 at the Borrego Water District.