

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, March 23, 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
Greg Holloway, Operations Manager
Kim Pitman, Administration Manager

Public: Trey Driscoll, Dudek Judy Hagen, Sun & Shadows HOA
Ray Shindler Ron Poitras, Sun & Shadows HOA
Susan Percival, Club Circle Jim Engelke
East Harry Ehrlich

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

E. Approval of Minutes:

Special meeting of February 16, 2016

MSC: Brecht/Tatusko approving the Minutes of the Special Meeting of February 16, 2016 as corrected (Item II.A, first paragraph, “We need to achieve sustainable management by 2040” (not 2042); change the second sentence to read in part, “. . . opening by explaining to the public that they had an opportunity to comment on the District’s boundary adjustment application until March 31 . . .”).

Regular meeting of February 24, 2016

MSC: Tatusko/Brecht approving the Minutes of the Regular Meeting of February 24, 2016 as corrected (Item I.H, change second sentence to read, “They are considering donating 800 acres of farmland for ~~tax~~-credits”; Item II.C, change entire section to read, “Trey Driscoll explained that the agricultural profit per acre-foot of water pumped in the Borrego Valley Groundwater Basin is estimated at \$345 based on data collected for citrus production in Riverside County. (Note: a basin specific agricultural study has not been completed to date.) The expected present value per water credit is estimated at \$3,280 taking into account incremental reductions in water use every five years over the twenty-year Sustainable Groundwater Management Act timeline”).

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

G. Comments from the Public and Requests for Future Agenda Items: Ron Poitras, President of the Sun & Shadows Homeowners’ Association, thanked the Board for its water conservation efforts and reported that they were working with Ken Okey on landscaping improvements. Mr. Poitras noted that he was a professional planner and offered to assist the District free of charge.

Jerry Rolwing announced his resignation from his position as BWD General Manager and retirement from public service in California. He will remain until mid-July to assist in recruitment and transition.

H. Correspondence: Mr. Rolwing invited the Board’s attention to correspondence between him and Jerry Jaroslaw, who urges the District to drill for water in the State Park.

Director Brecht suggested thanking him for his opinion and informing him that the Board would take it under advisement. Links to previous studies on the subject could also be provided.

Mr. Rolwing referred to JPIA's letter outlining its recent risk assessment and training visit. The letter was complimentary to the District. JPIA provides liability insurance through ACWA.

II. CURRENT BUSINESS MATTERS

A. Discussion and possible consideration of appeal: President Hart recused herself from participating in this item because the appealing party, David Lockhart, is her next-door neighbor. Mr. Rolwing explained that Dr. Lockhart's water meter was not recording accurately, so the District replaced it. Dr. Lockhart feels the old meter was correct and the new one is not. He refused the District's offer to recalibrate it. Discussion followed. ***MSC: Brecht/Delahay requiring Dr. Lockhart to pay his \$473.58 bill or take advantage of the one-time waiver.*** President Hart asked whether the new billing system would flag meters that had become inaccurate, and Kim Pitman agreed to look into it.

B. Discussion of storage/blending infrastructure project financing requirements: Director Brecht recommended compiling information from a systems management and water quality standpoint to support the need for a storage/blending infrastructure project now. Hopefully low cost funding from the State or USDA will be available. Mr. Rolwing reported that Dudek is current working on this.

Mr. Rolwing discussed a seminar he attended recently on Proposition 1 funding for clean water projects. It addressed clean groundwater, not drinking water. This funding may be available for the depth dependent water quality study.

C. Discussion and possible approval of amended Policy for Water and Sewer Service to New Developments: The Board discussed changes to the amended Policy for Water and Sewer Service to New Developments, including modification of internal references and definitions. ***MSC: Brecht/Tatusko approving the amended Policy for Water and Sewer Services to New Developments, as further amended today.***

D. Discussion of proposed Rate increases for FY 2017-FY 2021: Mr. Rolwing reported that the latest proposed rate increases had arrived late Monday night and were distributed Tuesday morning. President Hart had some corrections, and recommended requesting a clean draft with amendments, then posting it on the District website. Director Brecht pointed out that District counsel needs to review it for compliance with Proposition 218 requirements. President Hart noted that the clerical staff needs to be familiar with the protest process (paperwork, forms and security). We also need a draft resolution from Morgan Foley, and assurance that the electrical cost pass-through provision is included. Documents for posting on the website include the Raftelis rate study, rate FAQs, most recent CIP budget, Dudek sustainable cost study in draft form, State conservation standards from AWWA, the GSA resolution, Trey Driscoll's summary of SGMA and an explanation of Proposition 218.

E. Discussion of Rate Payers Steering Committee for Sustainable Groundwater Management Act (SGMA) Groundwater Sustainability Plan (GSP) plan development process, presented by Ran Shindler: Mr. Shindler predicted that the Ratepayers Steering Committee would begin meeting this fall and continue for a year and a half to two years. So far he had recruited six volunteers, including himself: Dave Duncan, Mike Macklehatten, John and Mary Delaney and Dick Troy. He wants to involve the Hispanic community. Gary Haldeman, Jan Naragon and Maria Kennedy were suggested as possible resources.

F. Consideration and possible approval of process for handling claims received for Tier 2 refunds: ***MSC: Brecht/Estep approving six claims for Tier 2 refunds, totaling \$1,176.79.***

G. Review of planning calendar: President Hart pointed out that the dates for the Proposition 218 process need to be revised. Mr. Rolwing will follow up on the Raftelis spare capacity cost analysis for T2 Borrego.

III. STAFF REPORTS

A. Financial Reports – February 2016: Ms. Pitman reported that expenses, including repairs and maintenance and personnel, were lower during the past month

B. General Manager/Operations Report: Mr. Rolwing and the Board discussed the recent Borrego Valley Groundwater Basin Water Quality Project scoping meeting. Issues included pipeline costs, well identification and temperature. The Viking Ranch well was discussed as a possible future monitoring or depth dependent study well.

C. Water and Wastewater Operations Report – February 2016: Greg Holloway reported that GPS equipment had been secured to locate District facilities, and buyers were available for the two District trailers for sale. Discussion followed regarding the 800 Tank, which is out of service. The contractor has not billed the District, but if he does, Mr. Foley will be contracted to determine the District's legal rights. Mr. Rolwing had also consulted Mr. Foley regarding the La Casa sewer issue and was trying to obtain an engineering report from La Casa. Mr. Holloway noted that JPIA should cover it.

D. Water Production/Use Records – February 2016: 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

Director Brecht reported that the Committee was working on the budget and the audit.

2. Due-Diligence

Director Brecht reported that the Committee hoped to meet with David Aladjem soon on the Oasis matter.

3. Strategic Planning Committee

President Hart reported the Committee had been preparing for the Town Hall Meeting and working with the County on GSA overlap issues. She recommended scheduling a closed session so the whole Board could discuss this. Mr. Rolwing suggested scheduling a special meeting next week including Mr. Aladjem, and agreed to contract him.

4. Executive Committee

President Hart reported that the Committee had been working on the park issue raised by the Club Circle Homeowners' Association.

5. Operations & Management Committee

Mr. Rolwing reported that the Committee met two weeks ago regarding the CIP. An update to aerial photos of the District is planned.

6. Parks Committee

No report.

7. CFD Committee

No report.

8. Conservation Committee

No report.

President Hart requested that the Personnel Committee be resurrected on future Agendas. A closed session, including Mr. Foley, will be scheduled at next week's Special Meeting to discuss personnel issues.

VI. INFORMATION ITEMS

A. Letter regarding Raftelis Rate Study: A proposed letter explaining the Raftelis Rate Study and the new suggested Tiers 1 and 2 was included in the Board package. A Spanish translation will be included on the reverse side.

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 closed session was cancelled.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:40 a.m. The next Special Meeting of the Board of Directors is scheduled for April 19, 2016 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for April 27, 2016 at the Borrego Water District.