

Borrego Water District Board of Directors
Regular Meeting
May 23, 2018 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Approval of Minutes
 - 1. April 17, 2018, Special Meeting **(3-6)**
 - 2. April 23, 2018, Regular Meeting **(7-13)**
- F. Comments from the Public & Requests for Future Agenda Items (may be limited to 3 min)
- G. Comments from Directors
- H. Correspondence from the Public
 - 1. Groundwater Dependent Ecosystems - Anza Borrego Foundation **(14-16)**
 - 2. Request for Waiver of Sewer Fees - Mesquite Ranch RV Park **(17)**

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

- A. Resolution Adopting New Water & Sewer Rates and Charges to be Effective July 1, 2018. – G. Poole **(18-22)**
- B. Letter to the County of San Diego: Property Specific Requests - S Anderson/G Poole **(23)**

III. INFORMATIONAL ITEMS

- A. Club Circle Golf Course Fee Update – B Hart **(24)**
- B. Schedule for Budget Approval – G. Poole **(25)**

IV. STANDING AND AD-HOC BOARD COMMITTEE REPORTS (25)

- A. STANDING:
 - 1. Operations and Infrastructure – Delahay & Tatusko
- B. AD-HOC:
 - 1. GSP Preparation – Hart & Brecht
 - 2. BWD Bond Financing – Brecht & Ehrlich
 - 3. Rams Hill Operating Agreement – Hart & Brecht
 - 4. 2018 Water Bond Proceeds – Hart & Tatusko
 - 5. Club Circle – Hart/Ehrlich

AGENDA: May 23, 2018

All Documents for public review on file with the District's secretary located at 806 Palm Canyon Drive, Borrego Springs CA 92004

Any public record provided to a majority of the Board of Directors less than 72 hours prior to the meeting, regarding any item on the open session portion of this agenda, is available for public inspection during normal business hours at the Office of the Board Secretary, located at 806 Palm Canyon Drive, Borrego Springs CA 92004.

The Borrego Springs Water District complies with the Americans with Disabilities Act. Persons with special needs should call Geoff Poole – Board Secretary at (760) 767 – 5806 at least 48 hours in advance of the start of this meeting, in order to enable the District to make reasonable arrangements to ensure accessibility.

If you challenge any action of the Board of Directors in court, you may be limited to raising only those issues you or someone else raised at the public hearing, or in written correspondence delivered to the Board of Directors (c/o the Board Secretary) at, or prior to, the public hearing.

6. Developers' Policy – Tatusko/Ehrlich
7. Mesquite Ranch Sewer Fees – TBD
8. County of San Diego PSR Comment Letter – TBD

v. STAFF REPORTS (26-28)

- A. Financial Reports: April 2018 **DEFERRED TO JUNE 27TH MEETING**
- B. Water and Wastewater Operations Report: April 2018 **DEFERRED TO JUNE 27TH MEETING**
- C. Water Production/Use Records: April 2018 **DEFERRED TO JUNE 27TH MEETING**
- D. General Manager
 1. BWD Purchasing and Contracting Policy
 2. June 1st Meeting with the County of SD

vi. CLOSED SESSION:

- A. CONFERENCE WITH LEGAL COUNSEL- Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (three (3) potential cases)
- B. Conference with Legal Counsel, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, or a threat to the public's right of access to public services or public facilities." Pursuant to Government Code 54957(a)

vii. CLOSING PROCEDURE

- A. Suggested Items for Next/Future Agenda
- B. The next Meeting of the Board of Directors is scheduled for June 19, 2018 at the Borrego Water District

AGENDA: May 23, 2018

All Documents for public review on file with the District's secretary located at 806 Palm Canyon Drive, Borrego Springs CA 92004

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Borrego Water District Board of Directors

MINUTES

Special Meeting

April 17, 2018 @ 9:00 AM

806 Palm Canyon Drive

Borrego Springs, CA 92004

II. 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,
Ehrlich

Staff: Geoff Poole, General Manager
 Kim Pitman, Administration Manager
 Steve Anderson, Best Best & Krieger (via videoconference)
 Wendy Quinn, Recording Secretary

Public: Ray Shindler, Independent Rebecca Falk, GSP Advisory
 Ratepayers Committee
 John Peterson Michael Sadler, *Borrego Sun*
 Trey Driscoll, Dudek Dave Duncan, GSP Advisory
 Susan Percival, Club Committee
 Circle East HOA

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

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

F. Comments from Directors: Director Tatusko stated he was disappointed in Dennis Dickinson’s editorial criticizing Dave Duncan. He felt it was unproductive, and Mr. Duncan agreed. Director Brecht stated it should not have been published, and Michael Sadler agreed to bring it up at the *Borrego Sun* meeting tomorrow.

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Draft Proposal for Groundwater Quality Sampling Additional Wells: Trey Driscoll noted that he is under contract with the County for GSP development and is sampling 15 wells. The District is concerned about the density of the wells in the North and Central Management Areas. Negotiations have begun with private well owners in the hopes of using some of them for sampling. Cost estimates were included in the

Board package, and Mr. Driscoll noted he is trying to find wells with existing pumps to reduce costs. John Peterson agreed that density is important, and he was concerned about the north and east areas. He suggested looking into sampling the well at the dump, some wells near the airport and wells in the agricultural area. Mr. Driscoll explained that to date efforts to use agricultural wells have been unsuccessful. **MSC: Brecht/Ehrlich approving Dudek's proposal, Tasks 1 and 2, not to exceed \$10,000 in addition to the \$30,000 already approved last July; and ask staff to come back with a report on the additional work needed.**

B. Burnand Land Following Acreage Calculations/Water Credit Application: Mr. Poole reported that Mr. Driscoll and his associate, Hugh McManus, met with Ray Burnand to discuss the acreage to be fallowed. Mr. Burnand had originally calculated 114 acres, but there was a 12-acre discrepancy. After negotiations, all parties agreed on 102 acres and a draft letter was sent to Jim Bennett. Mr. Bennett suggested allowing Mr. Burnand six months to complete the fallowing instead of the usual two years, because of anticipated changes in the water credit program. President Hart pointed out that fallowing and restoration are expensive, which is why two years are normally allowed. Director Brecht asked Mr. Poole to continue negotiating with the County on this issue.

C. Portable Air Sampler Proposal from Dr. Zender: Director Brecht explained that part of the CEQA requirements for the GSP is the ability to do air sampling. The District has purchased air quality monitors through a UCI grant, but they may not meet EPA standards. For \$15,000, Dr. Charles Zender proposes to recalibrate the existing stations, working with Dudek to ensure the data are acceptable for CEQA and the EPA. Director Ehrlich asked about the Proposition 1 grant, the County's portion of which was to be used for GSP CEQA efforts. Director Brecht explained that although the County the lead agency under CEQA, the District is a responsible agency. **MSC: Brecht/Ehrlich approving \$15,000 for Dr. Zender's air sampler proposal, contingent on Mr. Poole confirming with Dudek that the project is on track with CEQA.**

D. Raftelis Spare Capacity Lease Analysis Proposal: Director Brecht explained that in 2013 Raftelis produced a report establishing a spare capacity lease rate for providing water to the Rams Hill Golf Course. As part of the resulting agreement, T2/Rams Hill had to purchase a certain amount of water, and if they didn't, they still had to pay for it. The District is now trying to figure out how much they owe, and there is a question as to whether they were charged the proper rate to begin with. Raftelis has proposed to determine whether the rate should be changed and how much T2 should pay if they are not using the water. **MSC: Brecht/Delahay authorizing Mr. Poole to work with Raftelis on these issues, not to exceed \$5,000.**

III. INFORMATIONAL ITEMS

A. Review of 2018-19 Budget and Discussion of GSP-related Expenses: Kim Pitman distributed copies of the proposed 2018-19 budget and started her report by summarizing the expected revenues. A six percent increase in water rates and four percent in sewer are contemplated. Director Brecht requested that the \$500,000 Proposition 1 grant be included under Other Income. Director Tatusko inquired about the tertiary treatment grant. Mr. Poole predicted it would be funded by the end of the current fiscal year, and agreed to work with Ms. Pitman on its allocation. Ms. Pitman went on to summarize the expenses. Director Brecht requested the inclusion of two new debts, \$25,000 for sewer and \$425,000 for water. He further inquired about the expense of a CIP project manager, and Ms. Pitman agreed to include it under Professional Services. Director Tatusko pointed out that a justification is needed for the additional crew

person included in the budget. Ms. Pitman recommended increasing the uniforms budget to \$7,000. Under GWM Expense, Director Brecht requested that line 129, GWM – legal/Misc. – prop 1 grant/USGS be changed to GSP Development Expense and increased to \$260,000. He further requested that lines 130 and 131, Conservation incentive program and District portion of GSP, be deleted; and that two new line items, SDAC projects (LeSar and Jones) and GSP Land Acquisition Costs (\$80,000) be added.

Discussion followed regarding the cash flow budget and the CIP projects. Director Brecht requested three new categories: Cash flow from operations, cash from grants (CIP related, approved), and cash from financing activities, Director Brecht asked that staff ensure that all CIP projects match what Fieldman/Rolapp is being told. He further requested a line item for Reserves for 2020-21 CIP, and asked that if there are CIP projects taken out of cash flow from operations, they be spread out. Director Brecht requested another new category under GWM, GSP Expenses for Future Reimbursement. Mr. Driscoll and Mr. Poole will help with this. Mr. Driscoll asked if he could have the figures by May 15, and Director Brecht agreed to send him what he had so far.

Ray Shindler commended the Board on its work improving the budget and cash flow. Mr. Sadler agreed to work with Mr. Poole on a news article regarding their success.

B. Role of Borrego Water Coalition in GSP Development Process: Mr. Poole explained the basic structure of the Advisory Committee. Each member has a constituent group, and as issues are identified, they present them to their respective constituent groups and then return to the AC with their input. The BWC role is a continuation of that basic structure. Mr. Poole supports the AC and its constituent groups, and sometimes attends BWC meetings in an advisory capacity. Director Tatusko questioned the advisability of attending BWC meetings, which are not open to the public. Director Brecht thought it was acceptable. Mr. Poole pointed out that AC members do not attend BWC meetings. Mr. Duncan felt the BWC creates confusion in the community now that SGMA is in effect. He pointed out that the BWC is no longer structured as it was initially, and if it continues to meet, the name should be changed. BWD, DWR and the County are no longer part of it. Rebecca Falk reported that it had recently been discovered that a member of the Sponsor Group was also a member of the BWC, and as a result, a name change for BWC was suggested. She further stated that a recent BWC agenda listed several AC members on BWC committees. Mr. Shindler shared the concerns expressed.

C. GSP Advisory Committee SDAC Ad Hoc Committee Update: Mr. Poole reported that he had met twice with Diane Johnson, Rachel Ralston, Rebecca Falk and Esmeralda Garcia. The committee is making good progress, and has agreed on a mission statement. Ms. Falk announced they hoped to meet again on April 27, including community members, to discuss education, outreach and feedback. Members of the public cannot serve on the committee, but they can attend the meetings. Mr. Poole reported that public outreach meetings will continue through the rest of the year.

IV. CLOSED SESSION:

A. Conference with legal counsel – anticipated litigation. Initiation of litigation pursuant to subdivision (d)(4) of Government Code Section 54956.9: two (2) cases: The meeting adjourned to closed session at 11:30 a.m., and the open session resumed at 12:25 p.m. There was no reportable action.

V. CLOSING PROCEDURE

A. Suggested Items for Next/Future Agenda: Mr. Poole had distributed a list of proposed agenda items. The next meeting will include a public hearing on the new development policy and the two water shortage ordinances. Director Tatusko said he might have a report.

B. The next Meeting of the Board of Directors is scheduled for April 25, 2018 at the Borrego Water District: There being no further business, the Board adjourned at 12:25 p.m.

Borrego Water District Board of Directors

MINUTES

Regular Meeting

April 25, 2018 @ 9:00 a.m.

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:

<u>Directors:</u>	<u>Present:</u>	President Hart, Vice-President Brecht, Secretary/Treasurer Tatusko, Ehrlich, Delahay
<u>Staff:</u>		Geoff Poole, General Manager Greg Holloway, Operations Manager Kim Pitman, Administration Manager Steve Anderson, Best Best & Krieger (via video-conference) Wendy Quinn, Recording Secretary
<u>Public:</u>	Bill Berkley, Rams Hill Susan Percival, Club Circle East HOA J.C. Bambach, Borrego Springs Rst Linda Haneline Jim Wilson Michael Sadler, <i>Borrego Sun</i> Joe Bam, Borrego Springs Resort Brian Brady, BSBA Hans Hoefler Laara Maxwell Stephen Hinze Patrick Meehan, <i>Borrego Sun</i> Jim Bennett, County of San Diego Gaelee Rogers Steve Rogers	Cathy Milkey, Rams Hill Julian Peabody Bill Haneline Tom Patrick Rob Rempel, Layfield Jim Engelke John Hogan Silvia Hogan Linda Haddock, Chamber of Commerce J. Gury Diane Johnson Rebecca Falk Laura Brecht, Borrego Ministers Association

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

E. Approval of Minutes:

1. March Special Meeting March 20, 2018

MSC: Brecht/Ehrlich approving the Minutes of the Special Meeting of March 20, 2018 as written.

2. March Regular Meeting March 28, 2018

MSC: Brecht/Tatusko approving the Minutes of the Regular Meeting of March 28, 2018 as written.

3. 2018 Town Hall Meeting March 28, 1028

MSC: Brecht/Tatusko approving the Minutes of the Town Hall Meeting of March 28, 2018 as corrected (amend sentence in the middle of Item II.E to read in part, “. . . the District hopes to borrow \$5.4 million to finance improvements . . .”)

4. February 28, 2018 Regular Meeting (include Shindler Comments)

MSC: Brecht/Ehrlich approving the Minutes of the Regular Meeting of February 28, 2018 as written.

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

G. Comments from Directors: None

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION (SEE ADDITIONAL ITEMS AFTER CLOSED SESSION)

A. Adopting Ordinance No. 18-01 Water Shortages and Water Shortages Emergencies: Steve Anderson summarized the proposed water shortage ordinance, also known as a water conservation ordinance. The ordinance was first presented to the Board in December, and after considering comments from the Board and the public, it was amended and again reviewed in February. Mr. Anderson explained that this is a standard ordinance used throughout the State since the recent drought, after which water conservation became a way of life in California. The ordinance sets up a framework for water conservation by the District’s customers and for a declaration of a water shortage or water shortage emergency by the District. Upon such a declaration, water use restrictions would be required, such as a prohibition of hosing off sidewalks, use of shut-off valves on the hose while washing cars, recycling water in fountains, and turning off irrigation during rain. Fines of up to \$200 may be levied for violations.

Director Brecht pointed out that some grants require the adoption of these policies. J.C. Bambach of Borrego Springs Resort felt the ordinance was too subjective and lacked quantifiable goals. President Hart explained that the goals would be established by the State. Mr. Anderson added that any future changes to the ordinance would come back to the Board and the public for comment. Jim Wilson expressed concern that adoption of this ordinance would give the opinion that Borrego is running out of water and negatively impact the economy. Linda Haddock shared the concerns expressed by Mr. Bambach and Mr. Wilson. Mr. Wilson pointed out that BWD customers use only 10 percent of the basin extraction and are already conserving. Steve Rogers asked whether, as a ratepayer and taxpayer, he had a right to water. President Hart cited the Human Right to Water Law.

MSC: Brecht/Delahay adopting Ordinance No. 18-01, Water Shortages and Water Shortage Emergencies.

B. Adopting Ordinance No. 18-02 Declaring a Water Shortage Emergency and Hold PUBLIC HEARING: Mr. Anderson reported that this ordinance, like the last one, was presented to the Board and public in December and February for comment and modification. It would implement sections 4 through 7 of Ordinance 18-01, which set forth the restrictions under a water shortage emergency and penalties for violation. Again, it would only apply to BWD customers. Mr. Anderson explained that the ordinance establishes policies in response to the County's failure to consider water availability and conservation in its land use decisions. In order to declare a water shortage emergency, the District must make a finding that without that declaration, there could be insufficient water for human consumption, sanitation and fire protection. Mr. Anderson cited the Swanson court case, where a district imposed a building moratorium, a developer sued, and the court ruled for the district on the grounds that they were looking toward the future. He explained that the area of concern is the time before the implementation of the GSP.

President Hart opened the public hearing at 10:10 a.m. Patrick Meehan reiterated the fact that District ratepayers only use 10 percent of the water. He asked what could be done to regulate the biggest water users. Mr. Anderson replied that SGMA has a mechanism to deal with this, but the ordinance would be useful before the GSP takes effect. Rebecca Falk expressed support for the ordinance, noting that it responds to some concerns of the Sponsor Group. Mr. Bambach pointed out that there is not much development in Borrego Springs currently, but this ordinance would create uncertainty among developers and could have a negative effect on the economy. With the water credit policy, he felt the ordinance was unnecessary. Another ratepayer spoke in favor of the ordinance, saying it should have been done a long time ago. Jim Bennett of the County of San Diego read a statement, noting that the County and the District were working together on SGMA with the Advisory Committee and stakeholders. He felt the ordinance may not be compatible with SGMA, and asked the Board to consider instead sending a letter to the County expressing their concerns. Bill Berkley pointed out that with the water credit policy, new developers are saving more water than they are using and would probably use new, water efficiency technology. Cathy Milkey felt the ordinance was overreaching and stressful. She didn't believe that Borrego had insufficient water for human consumption, sanitation and fire protection, and felt an emergency did not exist. She asked if the ordinance could be lifted once adopted, and Mr. Anderson replied that it could. Jim Seley agreed that an emergency did not exist, and urged the Board to wait for the results of the GSP process, which may conflict with the ordinance. Ms. Haddock felt the ordinance was unnecessary, overreaching and negative for the community, in light of the ongoing SGMA process. Another comment dealt with the increase in arsenic and nitrates in our groundwater. President Hart assured him that the District was taking a close look at this and had increased its monitoring. A site for a new potable water well is currently being sought. Mr. Meehan reiterated that declaration of a water shortage emergency would not be good for the community, and suggested a more detailed legal opinion as to what can be done to curtail the farmers' water use. Mr. Berkley felt the ordinance would not save much water in a relatively short time period, and efforts should be concentrated on the upcoming November bond issue. Ms. Milkey suggested consideration of declaring a water shortage, rather than a water shortage emergency.

Hearing no further comments, President Hart closed the public hearing at 11:05 a.m. ***MSC: Brecht/Tatusko tabling the ordinance and reconsidering it based on today's comments, sending a letter to the County as suggested by Mr. Bennett, and asking Mr. Anderson to negotiate with the County attorney.***

President Hart declared a recess at 11:05 a.m., and the Board reconvened at 11:15 a.m.

C. Resolution No. 2018-04-01 Revising Developers Policy and Hold PUBLIC HEARING: Mr. Anderson reported that the Board had considered revisions to the New Developers' Policy in December and February. The Policy sets forth procedures for review of requests for water and sewer Will Serve Letters and clarifies steps to be followed by developers. Also included are provisions for facilities built by developers and dedicated to the District.

President Hart opened the public hearing at 11:20 a.m. Mr. Bennett reiterated his comments regarding Ordinance No. 18-02, noting that he just became aware of the Policy four days ago and wanted an opportunity to discuss it. Hearing no further comments, President Hart closed the public hearing at 11:21 a.m.

A motion was made by Director Brecht and seconded by Director Delahay to adopt Resolution No. 2018-04-01, Resolution of the Board of Directors of Borrego Water District Approving the District's Updated Policy on New Development. ***A substitute motion was made by Director Ehrlich and seconded by Director Tatusko to continue this item to the first meeting in May in order to obtain comments from the County. Directors Brecht and Delahay withdrew their motion and second, and Director Ehrlich's motion passed unanimously*** Mr. Anderson agreed to check as to whether the public hearing could be continued without additional notice, and Mr. Bennett agreed to provide comments to the District within a week. Directors Ehrlich and Tatusko volunteered to serve on an ad hoc committee to review Mr. Bennett's comments and discuss them with him.

D. AT&T Cell Tower Adjacent to Rams Hill: Mr. Poole reported nothing new since his last update on AT&T's request to install a cell tower on BWD property near Rams Hill: No legal documents, no e-mails. He requested Board direction as to how to proceed. Ms. Milkey expressed concern regarding commercial access to the private roads through Rams Hill. Mr. Poole explained that BWD has a standard easement, and agreed to provide her a copy. Ms. Falk reported that AT&T told the Sponsor Group that the American Legion site was not viable, and they were waiting to hear from Rams Hill. Director Ehrlich recommended that the District send AT&T a note saying BWD will do nothing further on the project until they receive a substantial proposal from AT&T. The Board concurred.

E. Support for Ed Sprague on Local Agency Formation Commission Consolidated Redevelopment Oversight Board: Director Ehrlich reported that he knows all the candidates for the LAFCO Consolidated Redevelopment Oversight Board. The Special Districts Advisory Committee nominated Ed Sprague, with Hal Martin as alternate, and Director Ehrlich recommended concurrence. ***MSC: Brecht/Delahay authorizing President Hart to cast a vote for Ed Sprague for the LAFCO Consolidated Redevelopment Board.***

III. CLOSED SESSION

A. Conference with Legal Counsel – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (two (2) potential cases: The Board adjourned to closed session at 11:45 a.m., and the open session reconvened at 12:00 p.m. Reportable action follows.

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION: CONTINUED

F. Suspension of Club Circle Golf Course Fee: President Hart explained that since the 1960s, the Club Circle Golf Course has been financed by Community Services District fees. In 1996, it was determined that the fees were inappropriate, since the golf course is open to the public. The fee was considered a tax, and there was no record of a vote. When BWD and the CSD merged, it was not discovered for some time that the fee was inappropriate. Now that the situation has come to light, the fee will be suspended effective May 30. There are two outstanding agreements for golf course maintenance, and BWD has sufficient funds from interest and property tax to cover the maintenance until those agreements expire (June 30, 2019). Upon expiration, BWD will no longer maintain the golf course. Meanwhile, it is hoped that the community will find a way to assume responsibility. **MSC: Brecht/Delahay suspending the Club Circle Golf Course Fee effective May 30, 2018. Director Tatusko abstained from the vote because he owns property at Club Circle.**

G. Fats, Oils and Grease Policy Revisions: Mr. Poole reported that after issues arose late last year, the Board and staff elected to revise the District's Fats, Oils and Grease (FOG) Policy. Excess FOG can create problems in the sewer system. There are no dramatic changes in procedures or costs under the new policy. Mr. Poole explained that under an earlier draft of the policy, professional grease trap cleaning was required at a cost of at least \$300. After consulting with all local Food Service Establishments (FSEs) and determining this would be a financial burden, a professional service was identified that would assist the FSEs with collection, removal and disposal. They provide fee barrels for cooking oils and barrels for grease at \$25. The District will conduct periodic inspections, and if an FSE fails to comply, there are penalties. The County Health Department will assist with enforcement. Linda Haddock expressed concern regarding the applicability of the policy to temporary FSEs, and Mr. Poole assured her that the Policy could be amended in the future if need be. **MSC: Brecht/Ehrlich approving the revised Fats, Oils and Grease Policy.**

IV. INFORMATIONAL ITEMS - NONE

V. STANDING AND AD-HOC BOARD COMMITTEE REPORTS

A. Standing:

1. Operations and Infrastructure. Director Tatusko reported that the Committee met on April 11 and reviewed the budget with Kim Pitman. Greg Holloway presented an update on the 900 tank. Later today, the Committee will be meeting with Layfield to discuss the defective liner. Mr. Holloway will report on the meter replacement program.

B. Ad-Hoc:

1. GSP Preparation. President Hart announced that there would be a Core Team meeting tomorrow.

2. BWD Bond Financing. Director Ehrlich reported that the Committee was moving ahead with the placement agent and working with bond counsel. The question of private versus public placement is still under consideration. The Committee hopes to have a proposal for the Board in May and funding by July.

3. Rams Hill Operating Agreement. President Hart reported that the Committee met with Rams Hill representatives and discussed payment for unused water. Mr. Holloway reported that Raftelis is working on it.

4. 2018 Water Bond Proceeds. No report.

5. GSA Organizational Capacity Analysis. This item was deferred to closed session.

6. Cyber Security. Director Ehrlich reported that the Committee met with staff and has a draft for discussion.

The Club Circle Committee (President Hart and Director Ehrlich) has been working behind the scenes and will continue to exist for a while. Mr. Poole will add them to the next Agenda.

A new Committee, Developers' Policy Amendment Committee (Directors Tatusko and Ehrlich), was formed and will be included on the next Agenda.

VI. STAFF REPORTS

A. Financial Reports, March 2018: Ms. Pitman reported she had paid medical insurance bills and COP debt. Mr. Holloway reported that the site of the 800 tank had been cleared. Director Ehrlich noted there was a budget overrun and questioned whether the Board should vote on it or establish a contingency fund from which the General Manager could withdraw. Mr. Poole will work on a contracting policy to address these issues.

B. Water and Wastewater Operations Report, March 2018: Mr. Holloway reported that the State is working on the wastewater treatment plant discharge permit.

C. Water Production/Use Records, March 2018:

1. 900 Tank Update. Mr. Holloway reported that the 900 tank still needs to be inspected by the State. The fencing contractor will arrive Monday. The BWD system is due for its three-year inspection, so Mr. Holloway hoped the 900 tank inspection could be done at that time, probably in July. There is a new coating on the inside of the tank.

2. Meter Replacement and Testing Program. Mr. Holloway explained that the District has a program in place. If a customer thinks his/her meter is not working properly, testing can be requested. If it meets AWWA standards, the customer pays; if not, the District pays and a new meter is installed.

D. General Manager: Mr. Poole introduced Rob Rempel from Layfield.

VII. CLOSED SESSION

A. Conference with Legal Counsel, on matters posing a threat to the security of public buildings, a threat to the security of essential public service, including water, drinking water, wastewater treatment, or a threat to the public's right of access to public services or public facilities. Pursuant to Government Code 54957(a)

B. Public Employee Performance Evaluation – Title: General Manager Employee Performance Review

C. Conference with legal counsel: Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (one (1) potential case:

The Board adjourned to closed session at 12:55 p.m., and the open session reconvened at 1:45 p.m. There was no reportable action.

VIII. CLOSING PROCEDURE

A. Suggested Items for Next/Future Agenda: The New Developers’ Policy will be discussed at the next meeting, with final action probably taken at the following meeting.

B. The next Meeting of the Board of Directors is scheduled for May 15, 2018 at the Borrego Water District Office. There being no further business, the Board adjourned at 1:45 p.m.



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Suites 110 & 111
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Borrego Springs, CA 92004

Phone (760) 767-0446
Fax (760) 767-0465

May 11, 2018

Board of the Borrego Water District

Beth Hart, President
Lyle Brecht, Vice President
Joe Tatusko, Sec./Treasurer
Harry Ehrlich, Director
Ray Delahay, Director

GSP Core Team

Jim Bennett
Leanne Crow
Julia Chase
Geoff Poole
Beth Hart

SENT VIA EMAIL

To Whom It May Concern:

We are writing to bring to your attention a Water Use Sector—Groundwater Dependent Ecosystems—that has not yet been included in your deliberations of the Groundwater Sustainability Plan (GSP) for the Borrego Valley Groundwater Basin (the Basin), and that this oversight is contrary to the statutory requirements of the Sustainable Groundwater Management Act (SGMA) of 2014.

The Basin contains multiple Groundwater Dependent Ecosystems (GDE's), which are plant and animal communities that require groundwater to meet some or all of their water needs. GDE's of note in the Borrego Basin include, but are not limited to, Coyote Canyon, Palm Canyon, Tubb Canyon, Glorietta Canyon, and the mesquite bosque that extends for several miles south of the Borrego Sink. GDE's support habitat associated with 30+ critical species.

The GDE's in the Borrego Basin provide critical biological services to the Borrego community and California's public, such as essential habitat for flora and fauna, water supply and purification for the human population, flood mitigation, carbon sequestration, and erosion control. Moreover, the GDE's in the Borrego Basin are a critical link in supporting and maintaining the biodiversity that drives the economic

PARTNERS WITH THE PARK

theabf.org



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engine of the Borrego region—tourism. The concentrated biology present in such locations, surrounded by extreme aridity, is an iconic feature of desert landscapes worldwide, juxtaposing the expectation of an extreme environment with the biological adaptations that make deserts compelling conservation targets and destinations for travel.

Section 10723.2 of the Sustainable Groundwater Management Act (SGMA), titled “Consideration of all Interests of all Beneficial Uses and Users of Groundwater,” states, “The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans. These interests include, but are not limited to, all of the following ... (e) Environmental users of groundwater.” GDE’s are environmental users of groundwater.

More specifically, section 10727.4 of SGMA states, “In addition to the requirements of Section 10727.2, a groundwater sustainability plan shall include, where appropriate and in collaboration with the appropriate local agencies, all of the following ... (l) impacts on groundwater dependent ecosystems.”

In 2016, the California Department of Water Resources adopted Title 23, Division 2, Chapter 1.5, Subchapter 2 of the California Code of Regulations, which is commonly referred to as the Groundwater Sustainability Plan Regulations (GSP Regulations), to detail the process and standards for the development of groundwater sustainability plans under SGMA.

The GSP Regulations provide significant guidance about GDEs. Specifically, Section § 351(m) defines a Groundwater Dependent Ecosystem as “ecological communities or species that depend on groundwater emerging from aquifers or on groundwater occurring near the ground surface.” Section § 351(al) defines a “Water Use Sector” as “categories of water demand based on the general land uses to which the water is applied, including urban, industrial, agricultural, managed wetlands, managed recharge, and native vegetation.” Native vegetation that depends on groundwater is a major component of GDEs. Examples of native vegetation relevant to the GSP for the Borrego Basin are the myriad species of plant life native to Coyote Canyon, Palm Canyon, Tubb Canyon, and Glorietta Canyon.

SGMA and the GSP Regulations are explicit in requiring GSA’s to consider the interests of GDE’s as a critical Water Use Sector in their creation of a groundwater sustainability plan. Furthermore, the GSP must account for its impact on GDE’s, as it must for other sectors such as ratepayers, agriculture, and recreation.



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In light of the above considerations, we respectfully request responses to the following questions: 1) To date, what consideration has been given to the GDE's in the Basin? 2) What GDE's have been identified in the Basin? Where are they located? 3) What analysis has been performed of the current GDE water requirement in the Basin? 4) How will the GSP monitor its impact on the Basin's GDE's? 5) What limits, if any, will be placed on any deleterious impacts the GSP may have on GDE's in the Basin? 6) What efforts will be made to measure near-surface water content and stream flows in GDE's to document sustainability indicators?

Sincerely yours,

Dick Troy
President, Anza-Borrego Foundation

Gina Moran
Superintendent, Colorado Desert District
California State Parks

Diane Johnson
Borrego Valley Stewardship Council
Representative to the GSP Advisory Council

David Garmon, M.D.
President, Tubb Canyon Desert Conservancy

Travis Huxman, Ph.D.
Professor, Ecology and Evolutionary Biology
University of California, Irvine

PARTNERS WITH THE PARK

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DOUG WILSON

12168 OBSERVATION DRIVE
GRAND TERRACE, CA 92313-5531
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PROJECT MANAGEMENT - LAND DEVELOPMENT - COORDINATION & EXPEDITING

March 12, 2018

Mr. Geoff Poole – General Manager
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

Re: Sewer Connection Fees for Mesquite Trails Ranch – TM5373RPL4

Dear General Manager Poole:

The purpose of this letter is to request Borrego Water District Board of Directors cooperation in suspending further Sewer Connection Fee payments until after the first 240 recreational vehicle spaces have been completed for occupancy.

On September 18, 2013 I met with Borrego Water District General Manager Jerry Rolwing and Directors Marshall Brecht and Ray Delahay to deliver the original of the fully executed Master Water Agreement, and to discuss a quid pro quo arrangement for the pre-payment of Sewer Connection Fees in the amount of approximately \$447,456.00. No action was taken by the District in response to the request regarding pre-payment of Sewer Connection Fees.

On August 20, 2017 the cumulative total of pre-paid Sewer Connection Fees had increased from \$447,456.00 to \$727,429.00. On September 19, 2017, the Borrego Water District Board authorized the General Manager to execute a fresh County of San Diego 399S Sewer Service Availability form as a condition requisite to the Mesquite Trails LLC Application for Tentative Map 5373 Request for Time Extension. On February 9, 2018 the County of San Diego extended the approval of Tentative Map 5373 to September 24, 2023.

Please note that the LLC has also pre-paid 170 Equivalent Dwelling Units of Sewer Shares in the amount of \$89,750.00, which represents payment in-full for the 480 recreational vehicle spaces to be developed subject to Tentative Map 5373.

It remains our ardent desire to maintain our history of mutual cooperation with the Borrego Water District, but I am sure the Board Members can appreciate the overwhelming financial burden that pre-payment of more than \$800,000.00 in sewer fees to-date has exacted on the Mesquite Trails Ranch project. We respectfully request Borrego Water District Board suspension of the collection of Sewer Connection Fees until after the first 240 recreational vehicle spaces have been completed for occupancy.

Sincerely,

Doug A. Wilson, Project Manager/Authorized Agent on Behalf of Raymond E. Plote

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 23, 2018
AGENDA BILL II.A

May 17, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Resolutions adopting and New Water/Sewer Rates and Charges to be Effective July 1, 2018

RECOMMENDED ACTION:

Receive Rate Schedule in Budget Package, discuss and approve attached Resolution

ITEM EXPLANATION:

Attached is the Resolutions adopting and New Water/Sewer Rates and Charges to be Effective July 1, 2018. The proposed rates are in full compliance with BWD's past Proposition 218 rate setting process.

FISCAL IMPACT:

See Attachment

ATTACHMENTS:

Rate Resolution and Rate Sheet for Water and Sewer

RESOLUTION NO. 2018-05-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BORREGO WATER DISTRICT ESTABLISHING WATER AND
SEWER SERVICE RATES FOR FY 2018-2019**

WHEREAS, the Borrego Water District is a California Water District established pursuant to Section 34000 et seq. of the California Water Code; and

WHEREAS, the Board has determined that the District is facing increasing costs for the administration, operation, maintenance and improvements of the water and sewer systems and services, the District's water and sewer rates need to be increased in order for the District to pay for its costs of providing service; and

WHEREAS, on June 9, 2016, the Board held a duly noticed public hearing in accordance with the provisions of Article XIID of the California Constitution (Proposition 218), received oral and written testimony, and having determined that there was no majority protest, approved a schedule of water and sewer rates for a five year period beginning with FY 2017 and ending with FY 2021; and

WHEREAS, the Board held a public meeting to discuss the budget and rate increase for FY 2018-2019 on May 15, 2018.

WHEREAS, the Board approved the budget and rate increase at the May 23, 2018 Board Meeting.

WHEREAS, On May 31, 2018, a notice regarding the rate increase will be mailed to all of the District's affected ratepayers.

NOW THEREFORE, the Board of Directors of the Borrego Water District does hereby resolve, determine and order as follows:

The Board finds that the adoption of the rates and charges set forth herein is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District water and sewer system. Based on this finding, the Board determines that the adoption of the rates and charges established by this Resolution are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resource Code and section 15273(a) of the State CEQA Guidelines.

The Board hereby adopts the rates and charges for each separate rate classification for each separate service area as set forth in Exhibit A attached to this Resolution. These increases will be effective July 1, 2018 and beginning with the August 2018 billing.

All resolutions or administrative actions by the Board, or parts thereof, which are inconsistent with any provision of this Resolution, are hereby superseded, to the extent of such inconsistency. Any rates or fees associated with water or sewer service that are not addressed in this Resolution or Exhibit A shall remain in full force and effect as previously adopted by the Board.

In any section, subsection, clause or phrase in this Resolution or the attached Exhibits is for any reason held to be invalid; the validity of the remainder of the Resolution or Exhibits shall not be affected thereby.

The increased rates and charges set forth herein shall become effective July 1, 2018 and beginning with the August, 2018 billing.

PASSED, ADOPTED AND APPROVED at a special meeting of the Board of Directors of the Borrego Water District held on 23RD day of May, 2018.

President of the Board of Directors
Of Borrego Water District

ATTEST:

Secretary/Treasurer of the Board of Directors
Of Borrego Water District

**BORREGO WATER DISTRICT
PROPOSED RATES FOR
FISCAL YEARS 2019-2021
Adopted May 23, 2018**

Sewer Rates

The District provides sewer service to areas 1, 2 and 5. Changes are being proposed for all Areas. The District's monthly sewer charges are based on one equivalent dwelling unit (EDU) usage of 250 gallons per day, for a typical single family residence. Non-Residential projected EDU requirements are determined on a case-by-case basis. Sewer customers in area 2 (TCS) are charged a fixed monthly holder fee, and a monthly user fee based on number of EDU's

Sewer service charges are proposed to change as shown in the following table:

	Current Rates FY 2018	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Sewer Area 1	\$40.33	\$41.94	\$43.62	\$45.37
Sewer Area 5	\$46.90	\$48.78	\$50.73	\$52.76
TCS User	\$46.90	\$48.78	\$50.73	\$52.76
TCS Holder	\$25.75	\$26.78	\$27.85	\$28.97
BSR	\$25.75	\$26.78	\$27.85	\$28.97
BSR Usage	\$1.89	\$1.97	\$2.05	\$2.13

Water Rates

The District's water rates have two components: 1) a **Fixed Meter Charge** based on the customer's meter size, to recover a portion of the District's fixed costs of operating, maintaining and delivering water, and 2) a **Commodity Charge**, determined by the amount of water used. It is proposed that the fixed charges, applicable to all customers account for 33% of the District's ongoing expenses, and 67% of such expenses should be funded on a consumption basis. It is further proposed that both charges increase at the rate of 6% per year for four years, in order to meet future increases in expenses, provide reserves, and provide sufficient reserves to meet any future debt obligations, and to allow for additional annual increases to pass through inflation. The proposed rates would consider two tiers, calculated to address the costs incurred by the District to deliver water, the difference based on basic domestic (i.e., indoor) water usage, and outdoor irrigation.

Fixed water meter charges are proposed to change as shown in the following table:

Meter size	Current Rates FY 2018	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
¾"	\$36.99	\$39.21	\$41.57	\$44.07
1"	\$47.99	\$50.87	\$53.93	\$57.17
1 ½"	\$75.48	\$80.01	\$84.82	\$89.91
2"	\$108.46	\$114.97	\$121.87	\$129.19
3"	\$196.43	\$208.22	\$220.72	\$233.97
4"	\$295.41	\$313.14	\$331.93	\$351.85
6"	\$570.32	\$604.54	\$640.82	\$679.27

Commodity Rates are proposed to change as shown in the following table:

Residential	Current Rates FY 2018	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Tier 1 1-7	\$3.35	\$3.56	\$3.78	\$4.01
Tier 2 >7	\$3.69	\$3.92	\$4.16	\$4.41
Non-Residential	Current Rates	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Tier1	\$3.55	\$3.77	\$4.00	\$4.24

Other Rates and Fees

Any rates or fees associated with water or sewer service that are not addressed in this notice shall remain in full force and effect as previously adopted by the Board of Directors.

Pass Through Costs

Pursuant to AB 3030, the District Board will also authorize the pass-through of future rate and charge increases by San Diego Gas & Electric for electricity rates associated with storing, treating, pumping, and delivering water. This authorization will be in effect for five years, until June 30, 2021. The Board will hold a public hearing to review the proposed increases prior to enacting any such changes.

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 23, 2018
AGENDA BILL II.B

May 17, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Letter to the County of San Diego: Property Specific Requests - S Anderson/G Poole

RECOMMENDED ACTION:

Receive update, discuss and direct staff as deemed appropriate

ITEM EXPLANATION:

Director Brecht, staff and Legal Counsel held a discussion and recommends to the Board that an Ad Hoc Committee be formed to work with Staff and Legal Counsel on the development of a letter that will be presented to the Board at the June 19th BWD Board Meeting and sent to The County immediately upon approval.

FISCAL IMPACT:

TBD

ATTACHMENTS:

None

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 23, 2018
AGENDA BILL III

May 17, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Informational Item:

1. Club Circle Golf Course Fee Update – B Hart
2. 2018-19 Budget Approval Schedule – G Poole

RECOMMENDED ACTION:

Receive update, discuss and direct staff as deemed appropriate

ITEM EXPLANATION:

1. Club Circle Golf Course: President Hart will update the Board on the latest activities regarding the Club Circle Golf Course issue.
2. Unfortunately, staff did not have sufficient time to complete the budget Agenda posting, therefore a discussion of the budget adoption schedule is needed. Options include the Special or Regular meeting in June or selecting a different date for another Special Meeting.

IV

AD HOC

COMMITTEES

STANDING AND AD-HOC BOARD COMMITTEE REPORTS

- A. STANDING:
 - 1. Operations and Infrastructure – Delahay & Tatusko
- B. AD-HOC:
 - 1. GSP Preparation – Hart & Brecht
 - 2. BWD Bond Financing – Brecht & Ehrlich
 - 3. Rams Hill Operating Agreement – Hart & Brecht
 - 4. 2018 Water Bond Proceeds – Hart & Tatusko
 - 5. Club Circle – Hart/Ehrlich
 - 6. Developers’ Policy – Tatusko/Ehrlich
 - 7. Mesquite Ranch Sewer Fees – TBD
 - 8. County of San Diego PSR Comment Letter – TBD

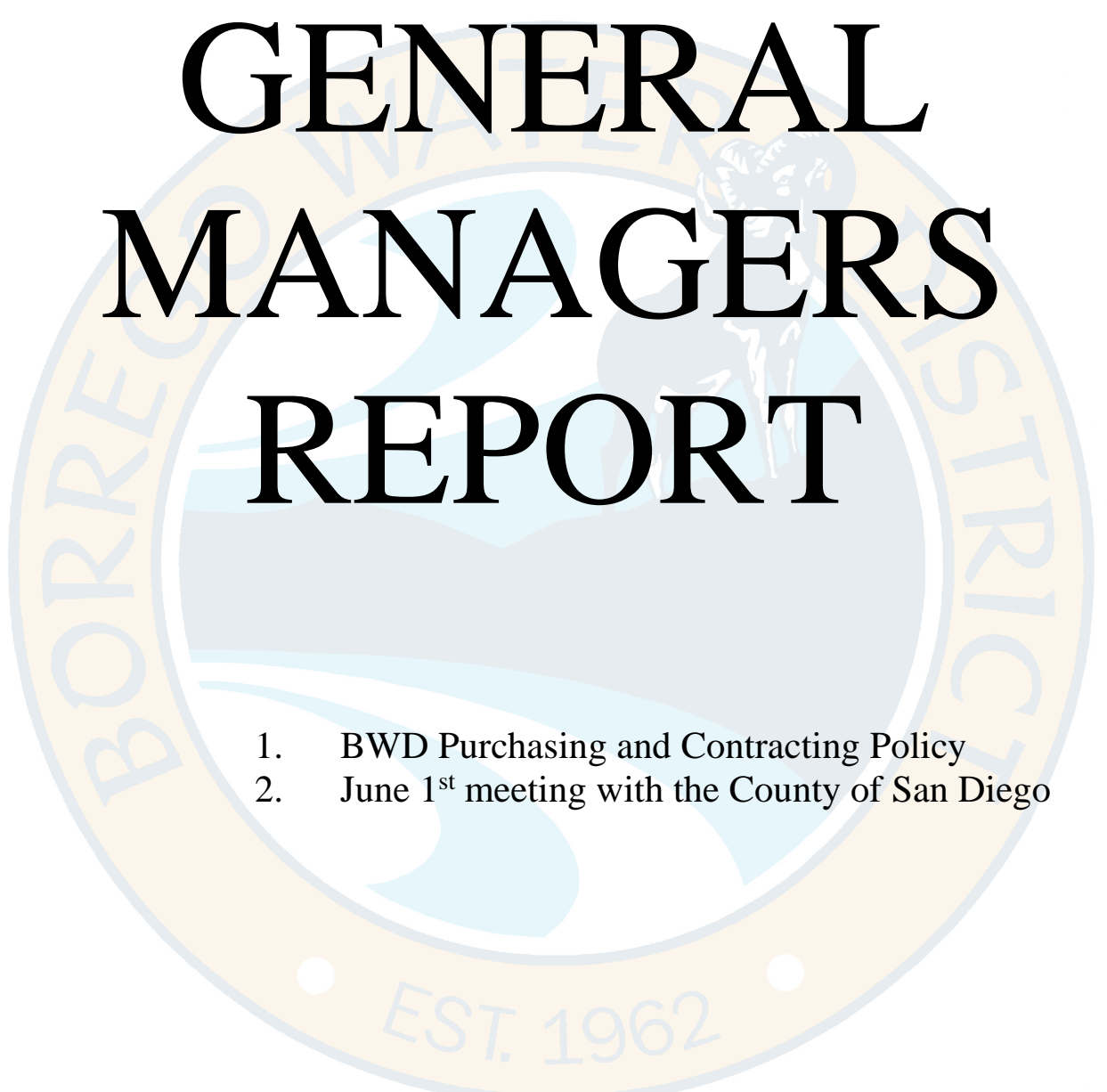
ITEM V

STAFF

REPORTS

**Financial Reports have been deferred to the
BWD Regular Board Meeting on June 27th, 2018**

**Operations Reports have been deferred to the
BWD Regular Board Meeting on June 27th, 2018**



V.D GENERAL MANAGERS REPORT

1. BWD Purchasing and Contracting Policy
2. June 1st meeting with the County of San Diego

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 23, 2018
AGENDA BILL V.D

May 17, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Staff Reports – General Manager

RECOMMENDED ACTION:

Receive update, discuss and direct staff as deemed appropriate

ITEM EXPLANATION:

1. Contracting and Purchasing Policy: Directors Ehrlich, Tatusko and staff met earlier this week to share comments on the proposed policy. The document has been forwarded to Esme for word processing and it is expected to be completed in the next day or two. Staff is planning for additional Ad Hoc Committee review prior to returning the item to the Board in June.
2. June 1st meeting with County of San Diego Land Use Planning Staff: A meeting is scheduled for June 1st with the County of SD to discuss land use issues. Staff will have a change to discuss with the Ad Hoc committee and then share possible agenda items with the Board.

ATTACHMENTS:

None