

Borrego Water District Board of Directors
MINUTES
Special Meeting
February 11, 2020 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order: President Dice 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 Dice, Vice-President
Brecht, Secretary/Treasurer
Duncan, Delahay, Johnson
Staff: Geoff Poole, General Manager
Wendy Quinn, Recording Secretary
Public: Jaroslav Medic Meet Panchal

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

E. Approval of Minutes: None

F. Comments from the Public and Requests for Future Agenda Items: Jaroslav Medic explained that he owned 19 acres next to Santiago Estates, formerly part of the Community Services District. He felt he was being treated unfairly in that he was not metered, and was being charged for acreage, unlike most ratepayers. He asked that his fees be returned. Director Brecht asked that he submit a written request, including the APN and details of his complaint. Geoff Poole agreed to meet with him at 1:00 today.

G. Comments from Directors: President Dice reported that she met State Senator Brian Jones at a reception at the Chamber of Commerce. She talked to him about the need for funds to buy water, and also about the air quality monitoring issue. Senator Jones asked her to write to his assistant, Aaron Andrews, about the air quality situation and what it would cost.

H. Correspondence Received from the Public: None

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Borrego Water District Town Hall 2020 Draft Agenda: Mr. Poole reported that he had served with President Dice and Director Johnson on the Town Hall Agenda Committee, which had met last week and again yesterday. He distributed an updated version from the one in the Board package. President Dice reviewed the Agenda. Discussion followed regarding whether to invite Steve Anderson to speak, and Mr. Poole suggested asking him for input on Director Duncan’s presentation (Stipulated Judgment Update). Mr. Poole and Director Duncan will work with Mr. Anderson on the Stipulated Judgment presentation.

1. Draft Finance Section Slides. Director Brecht reviewed the slides for his BWD Finances presentation. The information included the two paths to sustainability (GSA/GSP and Watermaster/Physical Solution). The GSP would cost more, and the Watermaster/Physical Solution includes more details. He presented a graph comparing the rate impacts of critical overdraft versus sustainable use. The Stipulation requires enforcement of the physical solution, revenue sufficiency, and County policies that are SGMA compliant. Some history of the path toward sustainability was included, from \$20 million in deferred CIP needs in 2011 to the present financial health of the District. Director Brecht explained revenue sufficiency, including adequate reserves, FY 2021 rates assumptions and Watermaster implementation costs. A graph illustrated the comparison among BWD rates and those of other similar districts. Director Brecht will work with Director Duncan to coordinate their Town Hall presentations.

B. Risk Management Policy Overview: Mr. Poole reported that staff had been dealing with specific procedures including cyber security, air quality, groundwater sampling and water quality monitoring,

and Rams Hill flood control. They are now taking the procedures and making them into a policy, which can be amended over time. The first draft was provided in the Board package. Mr. Poole noted that a quarterly cyber security inspection would be conducted this week and reported in closed session at the next Board meeting. Director Brecht requested that section 3 of the Rams Hill Flood Risk Management Policy be amended to read in part, “. . . following a significant flood or rain event” Mr. Poole will report on staff inspections of the Rams Hill facilities. Director Duncan recommended adding PFAs to the policy on groundwater elevations and water quality monitoring. Discussion followed regarding funding and liability for risk management, whether BWD or the Watermaster Board. Mr. Poole will discuss this with Mr. Anderson. ***MSC: Brecht/Johnson adopting the Risk Management Policy as written, to be updated periodically.*** Director Brecht suggested that prior to incurring new debt, provisions regarding climate and environmental risk be added to the Policy.

C. Borrego Water District Representation on the Watermaster Technical Advisory Committee: Mr. Poole reported that Dudek Engineering and Jay Jones (ENSI) had submitted proposals to serve as BWD’s representative on the Technical Advisory Committee. Director Brecht noted that they have different skills, and it would be nice to have them both on call. ***MSC: Brecht/Delahay approving Dudek and ENSI as the District’s Technical Advisory Committee representatives, subject to clarification of Dudek’s “non-optional hours and fee,” and creation of a formal contract with ENSI if it doesn’t already exist.***

D. Status of Wells in Borrego Springs Sub Basin: Meet Panchal invited the Board’s attention to his written report in the Board package, a compilation of Dudek’s and the County’s data. Director Brecht asked that the APNs be included. Mr. Poole recommended that this information be provided to the County, and agreed to bring back a draft letter in two weeks. Director Brecht suggested that John Peterson review the letter, and Director Johnson suggested copying Supervisor Desmond. Director Delahay was concerned about toxic waste being dumped into manholes, and Mr. Poole referred it to the Operations and Infrastructure Committee.

E. Update on Status of Settlement Agreement/Stipulated Judgment: This item was continued to closed session.

1. Costs of Physical Solution. Director Brecht invited the Board’s attention to his report in the Board package, noting that the statistics were estimates.

III. STAFF REPORT

A. General Manager Report: Status Update and Verbal Discussion of:

1. Letter to Borrego Springs Community Sponsor Group. Mr. Poole referred to a letter to the Sponsor Group, which was included in the Board package, based on last week’s discussion of the Sponsor Group’s request for support regarding land use issues. President Dice reported that she had read the letter at a Sponsor Group meeting last week and sent a copy to Nicole Wright of AECOM, a contractor working for the County on zoning. Ms. Wright requested an electronic copy, and Mr. Poole agreed to send it. President Dice further reported that a Stewardship Council leadership meeting has been scheduled to determine the type of governance they will use going forward.

2. Economics of BWD Solar at Office and Wastewater Treatment Plant. Mr. Poole invited the Board’s attention to his report in the Board package. The District invested \$365,000 in solar for the wastewater treatment plant four years ago. So far the savings have been \$161,530, including the refund, or 55 percent of the investment. The BWD office solar facilities cost \$114,000 two years ago, and the District has realized a savings of \$24,000 in energy costs so far, or 22 percent of the price. The solar facilities at the office were installed by Integrity Solar, and the treatment plant facilities by SK Engineering.

President Dice asked whether there were security lights on all night at the treatment plant, because there had been a complaint. Director Duncan thought the lights were from the La Casa Del Zorro maintenance facilities.

Director Delahay suggested considering solar at Well 4-9 and the small booster pump on Country Club. The areas are already fenced. Director Duncan recommended that the Operations and Infrastructure

Committee investigate. Mr. Poole suggested joining with the School District on a solar project. The solar panels do not necessary have to be located where the energy is used.

Director Brecht expressed concern about power outages affecting equipment and suggested surge protectors. Director Delahay said the District has them, and they are being upgraded gradually. Although the District has a generator, a battery backup might be useful for the office. Mr. Poole will look into it.

Director Brecht pointed out that the Wastewater Treatment Plant solar facilities are predicted to have an eight-year payback, which is conservatively estimated at a six percent return on investment over the 25-year life span of the facilities – a good rate compared to the current 1.6 percent on bonds.

3. Borrego Springs High School Agreement for use of High School Well. Mr. Poole reported he had located an insurance broker who will assist in insuring against contamination of BWD's well from the High School's and obtain paperwork and quotes. He hoped to have a recommendation at the next meeting, and will keep the School District informed. Director Brecht suggested consulting Mr. Anderson as to whether BWD or the School District should be insured.

IV. CLOSED SESSION:

A. Conference with Legal Counsel – Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Government Code Section 54956.9: (Three (3) potential cases): The Board adjourned to closed session at 11:20 a.m., and the open session reconvened at 12:10 p.m. There was no reportable action.

V. CLOSING PROCEDURE

The next Board Meeting is scheduled for February 25, 2020 at Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, CA 92004. There being no further business, the Board adjourned at 12:10 p.m.