

**Borrego Water District Board of Directors**

**MINUTES**

**Special Meeting**

**June 9, 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  
                  Jessica Clabaugh, Finance Officer  
                  David Dale, District Engineer  
                  Esmeralda Garcia, Administrative Assistant  
                  Wendy Quinn, Recording Secretary

Public:           Rebecca Falk           Cathy Milkey  
                  Tamara Baker           Rick Alexander

D. Approval of Agenda: *MSC: Brecht/Johnson approving the Agenda as written.*  
*The roll call vote was unanimous.*

- E. Approval of Minutes: None
- F. Comments from the Public and Requests for Future Agenda Items: None
- G. Comments from Directors: None
- H. Correspondence Received from the Public: None

**II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION**

A. Adoption of Fiscal Year 2020-21 BWD Budget and Capital Improvement Plan: Geoff Poole invited the Board's attention to the final draft of the 20-21 budget and CIP, and thanked Director Brecht, Jessica Clabaugh and Harry Ehrlich for their efforts in preparing them.

1. Consideration of Adding Part-Time, In-house District Engineer position to BWD Budget for 2020-21. Mr. Poole reported that he and the Operations and Infrastructure Committee had discussed retaining the services of David Dale as District Engineer. Mr. Poole, as well as Mr. Dale, Ms. Clabaugh, Director Brecht and Mr. Ehrlich would like to bring Mr. Dale on board. It would save 40 percent as compared to his consulting rate, and benefits would be included. They are proposing 26 hours per week, and he could assume responsibility for engineering duties except design and inspection of wells, which will likely be continued by Dudek. With Greg Holloway retired, Mr. Dale can help support operations, design and inspection. He plans to continue as Calexico City Manager until late July or early August, when their bond issue will be complete. The staff addition has been included in the new budget. In response to Director Brecht, Mr. Poole noted that Mr. Dale could also be involved in water quality testing and CIP implementation management.

Ms. Clabaugh summarized the 2020-21 budget, which was included in the Board package. Strategic objectives included work on the District's financial position and credit, working with the WMB, continued work on infrastructure and dealing with COVID. The budget will be reviewed after the first quarter. Ms. Clabaugh reported that Alan Asche would be the new Operations Manager, Manuel Marin will assume Mr. Asche's former position as USW Supervisor, and Diana Del Bono will serve as Administration Manager.

The cash flow and revenue section contemplated no rate increases at this time, but the decision will be reviewed at the end of the quarter. Automated meter reading was removed from Special Minutes: June 9, 2020

the budget. Mr. Dale's services were moved from professional services to salaries and wages. Debt service payments on the bond continue.

A little more cash was allocated to the CIP, including pipelines, office improvements and sewer infrastructure. The eight-year target projection is \$7.7 million, and some grant funding is expected. Work continues on hydrant replacement, and plans are underway for the De Anza pipeline and replacement Well #2. Director Brecht asked whether the reservoir replacements would go forward this year if a grant is not obtained, and Mr. Dale replied that the Twin Tanks should be replaced as soon as possible. Indian Head would be second priority, and Rams Hill #2 third.

Ms. Clabaugh reported she was working with Mr. Asche to establish a tracking system for emergency repairs. Director Delahay recommended replacing the District's trucks every four years instead of eight, and Ms. Clabaugh agreed to update the CIP in the fall. The updated cash reserves policy includes a risk management policy, including tracking cyber security.

***MSC: Brecht/Duncan adopting Resolution No. 2020-06-01, Resolution of the Board of Directors of the Borrego Water District Approving the Operations, Maintenance, Capital Improvements and Groundwater Management Budgets and Board Designated Reserves Fund Policy for Fiscal Year 2020-2021. The roll call vote was unanimous.***

***MSC: Johnson/Duncan adopting Resolution No. 2020-06-02, Resolution of the Board of Directors of the Borrego Water District Establishing Water and Sewer Rates (No Increases), but Reserving the Right to Increase Them Later up to the Maximum Approved by the 2016 Proposition 218 Process. The roll call vote was unanimous.***

Director Brecht requested Board approval to begin conversations with the District's Municipal Advisors, Feldman/Rolapp, regarding future financing for the CIP. In order to have a bond issue in four years, the District needs to work with them as well as Raftelis starting now. The Board concurred.

**B. County of San Diego Participation in Borrego Springs Watermaster Board:** Mr. Poole reported that last week the Board of Supervisors discussed the County's participation as a member of the WMB. Supervisor Desmond convinced them to fill a seat, and they appointed Jim Bennett.

**C. Selection of Legal Counsel and Executive Director/Technical Consultant:** Mr. Poole reported that the WMB will interview Legal Counsel candidates and discuss Executive Director/Technical Consultant candidates in closed session this Thursday.

### **III. STAFF REPORTS**

**A. Water Sales and Revenues Update:** Ms. Clabaugh presented charts showing water consumption and receivables for the last 24 months. The consumption is fairly close to last year's. Commercial and public agencies decreased, and irrigation and residential increased. Ninety-six percent of the May bills have been paid.

**B. Grants Update:** Rick Alexander presented a summary of active and pending grant applications. Partnering with the Borrego Valley Endowment Fund, BWD had applied for a grant of \$168,000 over four years for continuation of UCI's air quality monitoring program. It was rejected by the San Diego Foundation because they are overwhelmed with COVID-related applications. Mr. Alexander asked the Board whether they wanted him to pursue other grant opportunities for this project, such as the Air Resources Board or the Air Quality Management District. Discussion followed regarding the importance of continuing the program and avoiding gaps in the data already collected. President Dice asked Mr. Alexander to continue looking at grant opportunities for air quality monitoring.

Mr. Alexander reported that the \$478,000 grant from a California Clean Water Grant, to be used for wastewater treatment plant upgrades, is expected this year. The necessary agreements are being prepared. A \$1.9 million grant for water storage tank replacement (Twin Tanks, Indian Head and Rams Hill #2), is undergoing final review.

A pending \$86,000 California Clean Water Grant for replacement of the Wilcox Well diesel engine is also under review. Mr. Alexander explained that a new opportunity has arisen to replace the diesel engine with an electric motor. Grant applications will be accepted beginning in July. It would be more expensive (\$170,000). Director Duncan questioned the wisdom of an electric motor, since the backup engine is for use during a power outage. Mr. Alexander replied that a fossil fuel power backup would still be needed. Mr. Poole added that staff is still proceeding with the diesel engine while monitoring the other option.

A grant opportunity for the Coyote Creek watershed acquisition and restoration will be available through the California Department of Fish and Wildlife in September or October. Mr. Alexander will continue to monitor it and come back to the Board with additional details. There is also a Watershed Coordinator Program, offering State funds to achieve watershed health, which may be available in the fall. Mr. Alexander and Mr. Poole are looking into it. Director Johnson noted that the latter opportunity might overlap with a Stewardship Council program, and the District should coordinate with them. Director Brecht did not believe it was economically feasible.

There are a series of grants available from the Solar Power Commission for replacement of electric pumps or backup diesel pumps. Mr. Poole has been investigating and will report to the Board at its next meeting.

Director Brecht asked for the dollar amount of grants the District has received, what they are being used for and from whom they were acquired. This is for the 2020 audit, and he asked that be included in the next Agenda. Ms. Clabaugh will work on it. Director Brecht also inquired about looking into grant opportunities in the 2025 CIP to supplement the anticipated bond issue. Mr. Alexander requested a list of those CIP projects and will work on it with Mr. Poole.

1. DWR Monitoring Well Grant. Mr. Poole reported that District staff had taken over the monitoring well project in-house, saving money on the cost of Jay Jones' and Trey Driscoll's services in preparing the grant application. Staff is focusing on well locations, including one needed at the wastewater treatment plant. He hoped to come back to the Board with a recommendation in two meetings, and will also considering repurposing improperly abandoned wells.

**C. County Response to BWD Request or Determining Improperly Abandoned Wells:** Mr. Poole reported he had sent a letter to the County a couple of months ago asking them to contact the owners of wells for which the status is unknown. They received the letter, called and said they could not accommodate the request, and will follow up with a written reply. Discussion followed regarding who has the authority to take care of this, and it was the consensus that the District did not.

**D. County Response to BWD Proposed Developers Policy:** Mr. Poole reported that he sent the County a copy of the District's Developers' Policy about a month ago and was awaiting a response. He will share it with the Board upon receipt. Director Brecht asked him to share it with Raftelis.

#### **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: (One (1) potential case):**

**B. Conference with Legal Counsel – Existing Litigation (BWD v. All Persons Who Claim a Right to Extract Groundwater, et al., San Diego Superior Court case no. 37-2020-00005776):**

**C. Property Acquisition: Replacement Well Number Two Site – Conference with Real Property Negotiators (Govt. Code Section 54956.8); Property APN: APN 198-021-08, 77.95 acres; BWD Negotiator: Geoff Poole; Negotiating Parties: Geoff Poole, General Manager, and Owner: Borrego Nazareth; Under Negotiation: Price and Terms of Payment:**

The Board adjourned to closed session at 10:50 a.m., and thereafter, the open session reconvened. There was no reportable action.

**V. CLOSING PROCEDURE**

The next Board Meeting is scheduled for June 23, 2020 at Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, CA 92004. There being no further business, the Board adjourned.