

Borrego Water District Board of Directors

MINUTES

Special Meeting

July 14, 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, Delahay, Johnson

Absent: Secretary/Treasurer Duncan

Staff: Geoff Poole, General Manager
Jessica Clabaugh, Finance Officer
Esmeralda Garcia, Administrative Assistant
Wendy Quinn, Recording Secretary

Public: Rebecca Falk Cathy Milkey
Tamara Baker Nehal Thumar, Taussig
Trey Driscoll, Dudek Lora Carpenter
Meet Panchal

D. Approval of Agenda: **MSC: Johnson/Delahay approving the Agenda as written.**
The motion passed by unanimous roll call vote of those present.

- 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. Summary of Annual Fixed Charged Levies for Borrego Water District: Nehal Thuman reported that Taussig had prepared annual reports for various levies, including two Mello Roos districts. These assessments will be placed on the County tax roll. The assessment on Community Facilities District 2017-1 increased approximately 68 percent because of debt service on the bond, and CFD 2007-1 increased approximately 3 percent. The fixed charge levies remain the same as last year.

B. Annual Levying Standby Charges Resolutions: **MSC: Johnson/Delahay adopting the following Resolutions:**

Resolution No. 2020-07-01, Resolution of the Board of Directors of the Borrego Water District Restating and Adopting a Statement of Investment Policy;

Resolution No. 2020-07-02, Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Levying Standby Charges and/or Acreage Assessments to Defray the Cost of Operations and Maintenance of the District and Requesting the Levy and Collection of Said Standby Charges and/or Acreage Assessments on Land Within the District for the Fiscal Year 2020-21;

Resolution No. 2020-07-03, Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Levying Standby Charges and/or Acreage Assessments to Defray the Costs of Operations and Maintenance for Improvement District No. 1 and Requesting the Levy and Collection of said Standby Charges and/or Acreage Assessments on Certain Land in Improvement District No. 1 for the Fiscal Year 2020-21;

Resolution No. 2020-07-04, Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Levying Charges and/or Acreage Assessments to

Defray the Cost of Providing Pest Control Services by the District and Requesting Levy and Collection of Said Charges and/or Acreage Assessments for the Fiscal Year 2020-21;

Resolution No. 2020-70-05, Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Levying Standby Charges and/or Acreage Assessments to Defray the Cost of Operating and Maintaining the Water Facilities within Improvement District No. 3 of the District and Requesting the Levy and Collection of Said Standby Charges and/or Acreage Assessments for the Fiscal Year 2020-21;

Resolution No. 2020-07-06, Resolution of the Board of Directors of the Borrego Water District Acting as the Legislative Body of Community Facilities District No. 2017-1 of the Borrego Water District Authorizing the Levy of Special Taxes Within Community Facilities District No. 2017-1 for the Fiscal Year 2020-21;

Resolution No. 2020-07-07, Resolution of the Board of Directors of the Borrego Water District Acting as the Legislative Body of Community Facilities District No. 2007-1 of the Borrego Water District Authorizing the Levy of Special Taxes Within Community Facilities District No. 2007-1 for the Fiscal Year 2020-21.

The motion passed by unanimous roll call vote of those present.

C. FY 2021-2029 Additional Budget Work for Raftelis' September/October Restart of Cost of Service (COS) Study: Geoff Poole reported that the District had commissioned Raftelis to start the Proposition 218 process. The Cost of Service study was delayed for several reasons. Raftelis is identifying expenses and revenues for the next five years to justify any rate increases. The budget has been adjusted to accommodate the new schedule. Director Brecht noted that the Board had approved a provisional budget in May for FY 2022. If the District spends its reserves and doesn't replace them, it could increase future debt cost; but many of the CIP projects should not be delayed. Repairs after a failure cost more than preventive maintenance or replacement. Fieldman Rolapp has been requested to develop a financing plan. It is assumed that the District needs \$11 million in debt. Fieldman Rolapp's financing plan will be driven into the Cost of Service program that Raftelis is doing. Mr. Poole added that the CIP is being evaluated one more time. ***MSC: Delahay/Johnson authorizing Mr. Poole to negotiate an agreement with Raftelis and approving additional budget to cover the cost. The motion passed by unanimous roll call vote of those present.***

D. Fieldman Rolapp Associates (FRA) financing plan development for COS study: Mr. Poole said he was comfortable with the FRA proposal, included in the Board package. ***MSC: Brecht/Delahay approving the Fieldman Rolapp Associates financing plan development for the COS study. The motion passed by unanimous roll call vote of those present.***

E. BWD Cost Calculations for Possible Watermaster Assistance: Meter Related Services: Mr. Poole reported that meter reading will begin October 1, and pumpers have the option of automated or manual reading. BWD has been asked to consider handling the manual reading. Staff averaged the pay and benefits for the three meter readers and came up with a rate of \$45.63 per hour. There are also engineering related expenses to evaluate the meters and make sure they conform to industry standards. That would be at David Dale's hourly rate plus benefits, \$104.24. With the BWD Board's concurrence, Mr. Poole will present the proposal to the WMB on Thursday. Director Brecht recommended a ten percent administrative fee (ten percent of the total amount charged). ***MSC: Brecht/Delahay authorizing Mr. Poole to present the meter related services proposal to the WMB. The motion passed by unanimous roll call vote of those present.***

F. COVID-19 Update: HR 7073 Support Letter: Mr. Poole reported that HR 7073 would make a percent of State money available to special districts to deal with COVID. It is sponsored by the California Special Districts Association. A draft letter of support was included in the Board Package. ***MSC: Brecht/Delahay authorizing submittal of the letter of support for HR 7073. The motion passed by unanimous roll call vote of those present.***

G. Basin Monitoring Plan, Responsibilities and Cost (water levels & water quality): Director Brecht pointed out that within the next 24 months, groundwater monitoring will be developed by the WMB Technical Advisory Committee. Trey Driscoll is BWD's TAC representative. All water quality monitoring done before the Stipulation was signed will continue, including the 31 wells used under the GSP and CASGEM. Director Brecht wanted to focus on basin monitoring, not just water quality. BWD has three wells that are at risk of losing their production capability if water levels drop too fast too soon, and they might need to be replaced sooner than anticipated. Rebecca Falk asked whether the plan developed by Mr. Poole, John Peterson and Jay Jones for inexpensive monitoring to fill in data gaps was going forward. Mr. Poole explained that the plan was to use production wells and contract with the property owners. It was part of a grant application that was deemed too expensive and the work is being done in house. Ms. Falk agreed to send contact information for one of the well owners considered to Mr. Poole.

H. SDCWA Transmission Pipeline Project: Mr. Poole referred to a presentation months ago by the County Water Authority explaining three alternative that were being evaluated for a future transmission pipeline, so that farmers could improve irrigation rather than fallowing. One of the alternative routes would go through Borrego Springs. Two of the three alternatives are still being evaluated, including the one through Borrego. Director Johnson showed slides depicting the Regional Conveyance System, which would include some Colorado River water through the All American Canal. The Borrego option is the least risky from an environmental standpoint, and there is a possibility of using our basin for storage. On July 23, the CWA will vote on whether to go forward with the investigation.

I. Board Meeting Schedule: August 2020: After discussion, the Board agreed to meet in August instead of going dark as usual.

J. Announcement of Board of Directors Openings and Election Schedule: Mr. Poole reported that the seats occupied by Directors Delahay and Johnson are up for election this year. Director Brecht asked what would happen if no one runs. Would the BWD Board or the County appoint? Mr. Poole agreed to look into it, and encouraged everyone to consider possible candidates. Director Johnson reported she had requested forms from the Registrar of Voters and plans to file.

K. Interim Water Credits Process: Mr. Poole explained that although the water credits will eventually be transferred to BPAs, it will not be official until the interim budget is filed, probably in three to six months. He had received two inquiries from prospective buyers and one from a current holder. Until the new policy becomes effective, he recommended following the existing water credit policy. Director Brecht expressed concern regarding liability, i.e. whether the water credits still have value. Mr. Poole agreed to discuss the matter again with Steve Anderson and bring the matter back to the Board at the next meeting.

L. Budget Discussion Document: Director Brecht presented a list of issues relative to the Raftelis COS study.

III. STAFF REPORTS

A. Water Sales and Revenues Update: Ms. Clabaugh reported that she was accumulating data from Springbrook, going back to 2017. She presented comparisons in water revenue between last year and this year, an increase of approximately 10.5 percent. She prepared an aging report and will e-mail it to the Board members. Aging accounts have increased by about \$60,000 since February, primarily due to arrears from Mesquite Trails.

B. FY 2020 Audit Schedule: Ms. Clabaugh reported that staff is getting reading for the fiscal year ending audit, using the same firm used last year. Some requested information has already been transmitted. A list of items and deadlines was included in the Board package. She hoped to have a draft on October 27 and adopt it on November 10.

C. BWD Draft Website: Mr. Poole reported that Meet Panchal and Esmeralda Garcia had worked on a new BWD website. Organization and appearance have been improved, and legally required information is included. Mr. Panchal described features of the new site and asked that any suggestions be submitted to him with copies to Mr. Poole and Ms. Garcia. Director Johnson noted that “judgment” needed to be spelled consistently (only one “e”). Mr. Poole noted that Mr. Panchal’s fellowship is ending soon. He will be recognized on the next Agenda.

D. Status of Abandoned Wells Enforcement and Associated Costs: Mr. Poole reported that the County’s letter in response to his request for assistance in identifying abandoned wells was on its way. There are over 100 wells of unknown status.

E. Draft BWD responses to Stipulation comments to be sent to the California Department of Water Resources (DWR): Mr. Poole reported that Mr. Driscoll had put together some draft responses to the comments received regarding the Stipulation. They are under internal review and will be presented to the Board at its next meeting.

F. Replacement Well #2 Construction Schedule: Mr. Poole reported that phase one of the environmental review for Replacement Well #2 is virtually done. Half of the District’s \$500,000 grant was spent on Dr. Jones and LeSar, and the pilot hole drilling for Well #2 was supposed to come from the balance. The grant money runs out at the end of the year, so Mr. Poole suggested billing for the pilot hole for Replacement Well #1 instead. Bond funds can be used for Well #2.

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. Performance Evaluation of General Manager: GM Performance Review – Conference for Public Employee Performance Evaluation – Title: General Manager Employee Performance Review – pursuant to subdivision (d)(4) of Government Code Section 54957:

The Board adjourned to closed session at 11:20 a.m., and thereafter, the open session reconvened. There was no reportable action.

V. CLOSING PROCEDURE

The next Board Meeting is scheduled for July 28, 2020 at Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, CA 92004. There being no further business, the Board adjourned.