

Borrego Water District Board of Directors
MINUTES
Regular Meeting
July 28, 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
 David Dale, District Engineer
 Jessica Clabaugh, Finance Officer
 Alan Asche, Operations Manager
 Roy Martinez, WTF Operator III
 Esmeralda Garcia, Administrative Assistant
 Wendy Quinn, Recording Secretary

Public: Rebecca Falk Tammy Baker

D. Approval of Agenda: **MSC: Approving the Agenda as written. The roll call vote was unanimous.**

E. Approval of Minutes:

1. June 9, 2020 Special Board Meeting. **MSC: Johnson/Duncan approving the Minutes of the Special Board Meeting of June 9, 2020 as corrected (Item II.A, last paragraph, change “Municipal Advisors” to “Financial Advisors” and correct the spelling of Fieldman, Rolapp; Item III.B, fourth paragraph, change “State funds” to “Bureau of Reclamation Funds”; Item III.B, last paragraph, delete the last sentence (“Director Brecht did not believe it was economically feasible”). The roll call vote was unanimous.**

2. June 23, 2020 Regular Board Meeting.

MSC: Brecht/Johnson approving the Minutes of the Regular Board Meeting of June 23, 2020 as written. The roll call vote was unanimous.

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

G. Comments from Directors: Director Brecht recommended scheduling a meeting with David Dale to review and finalize the CIP prior to referring it to Fieldman, Rolapp.

H. Correspondence Received from the Public: The correspondence will be addressed in closed session.

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. COVID-19 Impacts and Response:

1. Water and Sewer Revenue Comparison. Jessica Clabaugh presented graphs showing water revenue comparisons from 2017 through FY 2020 and water consumption. Sewer revenues are relatively stable. An aging report showed late payments from 30 days late to over 120. Esmeralda Garcia will put a notice in the newsletter offering help with payment plans if necessary.

B. Interpretive Skills Training Funding Update: Director Johnson reported that the Rotary Foundation had agreed to donate between \$2,000 and \$3,000 to the High School Interpretive Skills Training Program. At tomorrow’s meeting she planned to request more. Martha Deichler is investigating a grant, and Ms. Garcia, a graduate of the program, will speak to Rotary.

C. Recognition of Meet Panchal, Civic Spark Fellow: Geoff Poole announced there would be a farewell party for Meet Panchal later in the week. President Dice noted that Mr. Panchal's one-year fellowship was nearly complete. He was energetic and committed, working on the GSP, abandoned wells, and the new BWD website, among other things. Mr. Poole added that Mr. Panchal was a pleasure to work with.

D. Interim Borrego Springs Subbasin WaterMaster Board:

1. BWD Confirmation No Unresolved Deficiencies Exist on Water Credits Issued. Mr. Poole referred to his report at the last meeting, that the WMB had requested a letter from BWD confirming that there are no unresolved deficiencies relative to following under the water credit program and everything was done according to BWD requirements. The water credits will eventually be changed to BPAs. Mr. Poole worked with Mr. Anderson on the letter. He requested Board approval to send it to the WMB. *MSC: Brecht/Johnson authorizing Mr. Pole to sign the letter for President Dice and send it to the WMB. The roll call vote was unanimous.*

2. Items for July 30th Agenda. Mr. Poole reported that the July 30 WMB Agenda would include a continued discussion of the appointment of the Executive Director/Technical Consultant in closed session, and a carryover from the last meeting of steps to ensure everything is ready to begin meter reading on October 1. Director Duncan reported that he had asked about guidelines for sharing information from the WMB closed sessions with the BWD Board in closed session, and the WMB suggested he discuss it with the new WMB Legal Counsel.

3. Recruitment of Executive Director and Technical Consultant Update. Mr. Poole noted that he would be surprised if the WMB made a decision on Thursday. There are some questions remaining for the preferred choice, and the contract has not yet been completed. Once the decision is made and the contract signed, BWD can pass on the administrative functions they have been performing – probably next month. Director Brecht recommended letting the WMB know that BWD intends to cease administrative support at the end of August, and Mr. Poole agreed to put it on the next Agenda.

Director Johnson reported that Martha Deichler asked whether she and Mark Jorgensen, as Alternate and Community WMB representatives, should attend BWD meetings. Director Brecht suggested that Director Duncan and President Dice could brief them, and Director Duncan said they were already doing so as to the important issues.

III. STANDING AND AD-HOC BOARD COMMITTEE REPORTS

A. STANDING:

1. Operations and Infrastructure. No report.

B. AD-HOC:

a. Stipulated Judgment Implementation. No report.

b. Risk Management/Pandemic. Director Brecht reported he sent a letter to the COVID-19 Task Force asking specific questions, and they advised him to contact the County. He would like to send the same type of letter to the County. As a critical infrastructure sector, BWD has to follow directions from the Department of Homeland Security. President Dice concurred.

c. Grant Funding. No report.

d. Association of California Water Agencies/Joint Powers Authority. President Dice noted that this was the week she would have been attending the ACWA conference in Monterey.

e. Organizational Staffing. No report.

f. Prop 218 and BWD Developers' Policy.

1. PPT Discussion Deck on FY 2022 – FY 2029 Cost of Service Issues. Mr. Poole had included Director Brecht's report, which was discussed at the last meeting, Minutes: July 28, 2020

in the Board package for information. Director Brecht explained that BWD is in a business that is capital intensive and needs cash to operate. To satisfy the requirements of the Stipulation, \$7.5 million will be needed - \$6 million from State and federal agencies and \$1.5 million from the BWD ratepayers.

Director Brecht narrated a slide presentation, beginning with a list of measures taken by BWD since 2011 to restore its credit. He noted that a negative cash flow is predicted for FY 2021. Since the District plans to incur debt in the next three or four years, the approved Prop 218 rates may need to be implemented. In the new 218 process, sufficient cash flow to afford the debt is important. In the CIP, he recommended concentrating on projects that are necessary instead of “nice to have.” On the other hand, waiting until something fails before repairing or replacing it costs more than being proactive.

President Dice inquired about revisiting the tier system. Director Brecht replied that it wasn’t in the current Raftelis COS study. He explained prior legal difficulties with the system, which were eventually resolved. A three-tier system is now being considered.

Director Johnson asked whether the solar installation at La Casa Del Zorro would affect BWD’s site work. Rebecca Falk reported that the Sponsor Group had asked La Casa to reconsider its proposed location, and they said there was no other suitable location on their property. The Sponsor Group will delay its vote until the environmental reports are submitted, probably in the spring of next year.

IV. MONTHLY FINANCIAL & OPERATIONS REPORTS

A. Financial Reports: June 2020: Ms. Clabaugh reported a cash balance of \$1.85 million. The auditing process is underway. Revenue is slightly higher than budgeted. Director Johnson asked why the total bills were 50 percent higher than projected, and Mr. Poole agreed to look into it and put it on the next Agenda. Ms. Clabaugh continued, reporting that staff is working to build up the surplus. Major expenses included the fire hydrant project and Well 5 rehab.

B. Water and Wastewater Operations Report: June 2020: The Water and Wastewater Operations Report was included in the Board package.

C. Water Production/Use Records: June 2020: The Water Production/Use Records were included in the Board package.

V. STAFF REPORT

A. Wastewater Operations: Roy Martinez reported that Downstream was working on the La Casa Del Zorro sewer lines. There is a problem with grease in the lines, and they are being videoed. Staff is working with SDG&E to inject oxygen into the force main, which should help with gases and fumes. Mr. Poole reported that staff is working with La Casa on a plan to address the grease problem.

B. Water Operations: Alan Asche was pleased to report there were no line breaks during the past month. Staff is working on meter exchanges and the Well 5 upgrade. The Well 9 pump house is nearly complete, and the Department of Drinking Water will inspect it. The fire hydrant replacements will continue through the end of August. Mr. Asche is working with a contractor to upgrade the communication system.

C. General Manager/Administration:

1. Publishing Copy of Signed Budget Resolution for FY 2021 – Passed on June 23, 2020. Mr. Poole invited the Board’s attention to the signed Budget Resolution in the Board package.

2. Process for Filling BWD Board Position if no Candidate Applies for Open Position. Ms. Garcia reported she had contacted the County concerning the process for filling the upcoming vacant Board position of no candidate applies. The Board of Supervisors can

assign a registered voter in the area, and will continue selection until a candidate accepts. Director Johnson noted that she knew a couple of potential candidates.

3. Social Media Activities: First BWD Facebook Post. Ms. Garcia reported that the new BWD Facebook page lists meetings and provides a way to communicate with the community. Information on maintenance and repair issues is included. Director Brecht asked how negative and nuisance comments would be handled, and Ms. Garcia replied that comments requiring response would be passed on to staff or the Board.

VI. CLOSED SESSION

A. Conference with Legal Counsel – Significant exposure to litigation pursuant to Government Code paragraph (3) of subdivision (d) of Section 54956.9 (Two (2) potential cases):

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:

D. Replacement Well Number Two Site – Conference with Real Property Negotiators (Gov. Code §54956.8); Property APN: APN 198-270-13-00, 36.53 acres. BWD negotiator: Geoff Poole. Negotiating Parties: Geoff Poole, General Manager, and Owner: Borrego Springs Unified School District. Under Negotiation: Price and Terms of Payment:

The Board adjourned to closed session at 11:00 a.m., and thereafter, the open session reconvened. There was no reportable action.

VII. CLOSING PROCEDURE

The next Board Meeting is scheduled for August 25, 2020, to be available on line. See Board Agenda at BorregoWD.org for details, available at least 72 hours before the meeting. Mr. Poole noted that a Special Meeting may be scheduled on August 11 to discuss the CIP. There being no further business, the meeting adjourned.