

**Borrego Water District Board of Directors**  
**MINUTES**  
**Special Meeting**  
**December 8, 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. Oath of Officers for Directors Tammy Baker and Diane Johnson & Roll Call:

President Dice administered the oath of office to Directors Baker and Johnson.

<u>Directors:</u>	<u>Present:</u>	President Dice, Vice-President Brecht, Secretary/Treasurer Duncan, Baker, Johnson
	<u>Staff:</u>	Geoff Poole, General Manager Jessica Clabaugh, Finance Officer David Dale, District Engineer Alan Asche, Operations Manager Diana Del Bono, Administration Manager Esmeralda Garcia, Administrative Assistant Wendy Quinn, Recording Secretary
	<u>Public:</u>	Lauren Demine, Raftelis Kevin Kostiuk, Raftelis

D. Approval of Agenda: *MSC: Brecht/Johnson approving the Agenda as corrected (Item II.A should be 2020-21 budget). 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: Director Johnson noted that she had been called a politician, and she preferred the term “elected official.” Director Brecht and President Dice agreed. Director Baker announced that she had been coming to Borrego Springs since 2008 for vacations and eventually left her home in San Francisco and moved here. She worked in the high tech field and enjoys bicycling.

H. Correspondence Received from the Public: None

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

A. Publication and Dissemination of Amended FY 2020-21 Budget and Capital Improvement Plan: Jessica Clabaugh reported that all suggested changes to the budget and CIP had been incorporated. The final version will be posted on the District website and sent to BWD’s banks.

B. Update on Cost of Service Study for BWD Water and Wastewater Functions: Kevin Kostiuk of Raftelis presented slides outlining the cost of service and rate study. He included background information on the study process and financial planning. There are four main components: the rate-setting framework, financial plan, cost of service and rate design, and the final rate adoption. He explained the Proposition 218 process for setting water and sewer rates. Mr. Kostiuk explained that the study included review of all revenues, expenses and financial policies, as well as identification of long-term revenue needs. The financial plan includes proposed debt (bond issue).

CIP projections were made through 2025. Raftelis continues to work with BWD staff to finalize the figures. Public outreach will be included in the 218 process. Plans and COS analysis

should be complete in January, and the schedule provides for new rates to be effective on July 1, 2021. Director Brecht asked how other districts differentiate between 218 cash reserves and non-218 cash reserves (ad valorem taxes). Mr. Kostiuk explained that property tax revenue is generally at the district's discretion. There are Government Code requirements for segregating developers' fees and other revenue. Mr. Kostiuk agreed to discuss the issue with staff.

Geoff Poole pointed out that the COS study would be an important topic at the Town Hall meeting, if it occurs. He will discuss outreach plans with President Dice and Director Johnson and present more detailed suggestions at the next meeting. There will also be information in the water bills, newspaper and social media. Mr. Poole will work on a narrative for the Town Hall and present a draft at the next meeting, including information from Mr. Kostiuk. President Dice will help.

**C. Agreement with Fredericks Services Inc. for Emergency Sewerline Repairs near La Casa Del Zorro:** Mr. Poole reported he had met with the owners and site managers at La Casa Del Zorro and they were fully supportive of the proposed sewerline repairs. David Dale explained that he had been working to resolve the odor problems in the area and found there was root intrusion in the pipeline on La Casa property. He proposed bypassing that line with a smaller, more appropriately sized line which will ensure continual flow. The new line will be in the public right-of-way, making maintenance easier. Mr. Dale reported he obtained two proposals for the project, and Fredericks Services was the lower, and within budget. He recommended awarding the contract for \$378,000. ***MSC: Brecht/Duncan approving the agreement with Fredericks Services Inc. for emergency sewerline repairs near La Casa Del Zorro. The roll call vote was unanimous.***

**D. Agreement with SDGE for Pipeline Extension in Borrego Valley Rd.:** Mr. Poole reported that SDG&E had contacted him because they expect a need for water at the solar farm. They asked BWD to extend a water line about a mile, and SDG&E will reimburse the District. Mr. Dale showed the location on a map, near the airport. He explained that SDG&E will make a down payment to cover engineering, then half the estimated cost, and then BWD will put the project out to bid. Alan Asche outlined the components of the work. Mr. Dale will do the design in house, and then use an outside contractor for the construction. Best Best & Krieger has prepared a reimbursement agreement providing that SDG&E will cover whatever BWD spends plus ten percent. ***MSC: Brecht/Johnson approving the reimbursement agreement between SDG&E and BWD. The roll call vote was unanimous.***

**E. Borrego Springs Basin Interim Watermaster:**

1. Update on Activities. Director Duncan reported that the next WMB meeting was scheduled for December 10 at 4:30 p.m. The WMB is moving ahead with establishment of an Environmental Working Group. Wildermuth Environmental, employer of the Executive Director and Technical Consultant, has been purchased by West Yost.

### **III. STAFF REPORTS**

**A. Water Sales and Revenues Update:** Ms. Clabaugh presented a graph showing total water revenues for November of \$314,000, in line with expectations. Units sold totaled 51,175, down 1.89 percent from last year. The three-year average was consistent, as were the sewer revenues. The aging accounts increased slightly, with \$249,000 past due in November, a \$108,000 increase since February. Esmeralda Garcia is contacting past due account holders. Director Duncan asked what percentage of past due moneys was being collected. Ms. Clabaugh replied that collections are now eight percent over the arrears total, because people are starting to catch up on old bills.

**B. Discussion of Public Outreach Needs:** Mr. Poole reported that Director Baker had expressed concern about some continued confusion among members of the public. Staff will continue to discuss public misconceptions during the Town Hall meeting and 218 process.

C. Publication of Materials from 11-24 Board Meeting: Air Quality Monitoring by Dr. Charles Zender: Mr. Poole invited the Board's attention to Dr. Zender's presentation at the last meeting, included in today's Board package. Mr. Kostiuk's presentation will be included in the next package.

Mr. Poole reported that bids for construction of replacement Well ID 5-X will be opened this afternoon.

**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: (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):

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 December 22, 2020 at Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, CA 92004. There being no further business, the Board adjourned.