

a member said it would not cost the County money to become a GSA. However, they have added a staff member to oversee it. Mr. Rolwing expressed concern that the County would try to shift General Plan amendment costs to BWD. Director Brecht recommended that the development costs be amortized over five years. President Hart explained an issue that has arisen regarding collection of GSP development costs on the property tax rolls. These collections usually require voter approval, but since the development costs are regulatory fees, the issue needs to be clarified.

E. Discussion of Resolution 2016-01-01 of the Board of Directors of the Borrego Water District, Stating the Policy on Water Credits for New developments to comply with the requirements of the Sustainable Groundwater Management Act: Mr. Rolwing presented the proposed Resolution for discussion today and possible approval at the next Board meeting. Mr. Driscoll explained that to comply with SGMA, a 4:1 water use mitigation ratio for new development is proposed. This would apply to developers requesting building permits on previously approved plats.

F. Discussion of the District's consulting engineers' (Dudek) work on the economic value of potable water from the BVGB under SGMA: Mr. Driscoll explained that based on data from the 2013 Bureau of Reclamation Study, he calculated the replacement value of potable water if it were to be purchased at \$1,340 per acre-foot. In addition, because of the potential for aquifer overdraft in the future necessitating additional treatment, especially for removal of arsenic, additional costs of anywhere from \$62 to \$548 per acre foot could be incurred. He suggested starting out with the lower figure, representing capital costs, and addressing operations and maintenance expenses in the future. Director Brecht pointed out that these costs should be built into future tiered rates, and Mr. Rolwing agreed to forward the Dudek report to Raftelis, the District's financial consultant. President Hart suggested that Mr. Rolwing, Director Brecht, Dudek and Raftelis get together to discuss the subject, and Mr. Rolwing recommended referring it to the Due Diligence Committee. Mr. Driscoll noted that SGMA allows the imposition of pumping fees, and Director Tatusko observed that this is an important point to highlight during the 218 process to confirm that agriculture and golf courses will share SGMA-related costs.

G. Discussion of FY 2017-2021 rate structure and rates changes messaging: Director Brecht noted that many citizens feel water rates are too high, but they don't have a basis for this opinion. At the next Town Hall Meeting, he wanted to spend some time explaining why the District treats water, what it costs and what it would cost not to treat it. He invited comments on his proposed presentation, included in the Board package.

H. Discussion of a formal note of appreciation to the US Geological Service and the Department of the Interior Bureau of Reclamation for the excellent studies they completed for the benefit of the District's management of the BVGB: Mr. Rolwing agreed to draft the letters for the Board's consideration.

I. Discussion and approval of electing members to LAFCO: Mr. Rolwing reported he had discussed the candidates for LAFCO with Harry Ehrlich, but typically selected the candidates geographically closest to Borrego Springs. He welcomed Board input, and agreed to check with Mr. Ehrlich again. Absent other recommendations, he will follow his usual course of action.

J. Discussion of potential agenda items for January 27th board meeting: Agenda items for the next Board meeting will include progress in meeting the water use reduction Executive Order and a report from the Ad Hoc Citizens Committee (combined), Tier 2 water rate refunds, Resolution stating the policy on water credits, setting public meeting on the BVGB boundary adjustment, Resolution on the BVGB boundary adjustment to be included in the GSA application (Mr. Driscoll will draft it), status of Rams Hill Water purchase (included in

Manager's Report), closed session, progress report on new billing system (in Manager's Report), status of Raftelis study (in Manager's Report), and an information item on "Rudyville."

III. INFORMATIONAL ITEMS

- Marketing the SGMA: Applying economics to solve California's Groundwater problem: The article was included in the Board package.

IV. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:40 a.m. The next Regular Meeting of the Board of Directors is scheduled for January 27, 2016 at the Borrego Water District.