

Ms. Gibson read a letter from Jack and Annie Sulfer, visitors to Borrego Springs since 1996 who treasures the golf course and felt some visitors would go elsewhere if it was not here. They urged the District to continue operating the course. Ms. Gibson requested that her comments and the Sulfers' letter be included in the Minutes, and they are incorporated by this reference.

Jerry Rolwing read a letter from Rolly Johnson, a District customer for 25 years who felt the golf course was a great asset. He also cited the annual tournament benefiting the Children's Center, and pledged to support any reasonable solution to ensure the continuation of the golf course.

Bill Ringkamp, a Club Circle resident, pointed out that there are 127 trees on the golf course, which would cease to exist without the course irrigation.

Directors Tatusko and Estep reported that they owned property at Club Circle and would have to recuse themselves from any vote on the subject.

President Hart reported that the auction of the Borrego Springs Country Club had been postponed until April 6, and the Board cannot make a decision on Club Circle until then, since the Country Club leases the Club Circle Course to the District.

Director Brecht inquired about Ms. Gibson's reference to the District's contract to manage the golf course. President Hart explained that the original MOU consolidating the Borrego Springs Park Community Service District, the previous operator of the golf course, with BWD, provided that BWD would continue to operate the course as long as there were sufficient funds. Director Brecht recommended figuring out the total cost of the golf course operation and presenting it to the Club Circle residents for consideration.

Director Estep suggested that the District consider operating the golf course under its park powers. President Hart explained that this would require a 218 process and a vote by all residents of Borrego Valley.

B. Discussion and possible approval of New Development Policy revisions: Mr. Rolwing reported that per the Board's request at the last meeting, he had confirmed the accuracy of the meter figures in the New Development Policy revisions. Director Brecht requested that a map of Improvement Districts be included in the Policy, and summarized other modifications which he submitted to Mr. Rolwing for incorporation by the Operations & Management Committee. President Hart noted that Schedules A and C, which are referenced in the Policy, were not attached. Mr. Rolwing explained that Schedule A would consist of Policy page 11 and following. He proposed simply referring to the Policy on page 13, rather than Schedule C. The revised New Development Policy will be reviewed again at the April workshop.

C. Review of Town Hall Agenda: Mr. Rolwing announced that Jim Bennett would not be participating in the Town Hall Meeting. President Hart suggested posting announcements of the meeting at the Post Office, Kendall's and the Center Market.

D. Review of FY 2017 Budget: Director Brecht requested that the entire budget package be presented at the April workshop. He recommended using the term, "revenue adjustment" instead of "budget adjustment." Mr. Rolwing suggested that the depth dependent water quality study be listed as a separate item, not part of the GSP, and that the GSP budget be reduced from \$600,000 to \$400,000.

E. Review of Raftelis business plan & rate model: Habib Isaac and Victor Smith from Raftelis joined the meeting via teleconference. Mr. Rolwing reported that legal counsel had reviewed the Town Center Sewer Agreement and thinks the District can increase rates in IDs 1 and 5 for operations and maintenance at the Sewer Plant.

Mr. Isaac reported that as requested by the Board, he had included provision for an electrical cost pass-through option in future years. He presented slides shown at the last meeting, with some revisions. The proposed financial plan would insure financial stability for the study

period and meet minimum reserve requirements for 2018. Mr. Rolwing requested that reference to the Wilcox Reservoir be changed to “storage and blending infrastructure.” Mr. Isaac went on to summarize the allocation of fixed versus variable costs, noting that golf course irrigation had been removed from the baseline calculation. He then presented scenarios for various size water meters and how they would be affected by the proposed financial plan. Tier 1, Tier 2 and non-residential rates were explained, based on capital cost of treatment to maintain water availability. Although unit rates for water usage would increase, meter charges would be reduced so the impact should be minimized. President Hart requested a depiction of the actual impact on a customer using seven, twelve and twenty units per month, respectively.

Mr. Isaac explained that adjustments in the proposed sewer rates had been made based on the attorney’s feedback. The plan would meet and maintain minimum reserves through 2017. He summarized proposed sewer charges for residential and commercial for each affected Improvement District. Mr. Rolwing requested that lift station costs be removed from ID 1. He will provide the allocation between IDs 2 and 5 to Mr. Isaac.

Director Brecht inquired about an update of the reserve policy recommendations, and Mr. Rolwing agreed to provide Raftelis with a copy of the policy.

Mr. Isaac agreed to have a redraft of the report by the end of the day Friday and will provide a copy to District counsel. It will be available on the BWD website.

Discussion followed regarding the importance of reserves and the need to communicate this to the public. Director Tatusko pointed out that the District will need to borrow money in the next five years, and if we are not able to do so the reserves will be depleted quickly. President Hart likened it to a personal savings account, recommended to cover six months’ expenses in case of emergency. Suggestions from the public included showing how conservative water users can save money under the new structure, and explaining the allocation between outdoor and indoor water use.

III. CLOSING PROCEDURE

There being no further business, the Board adjourned at 12:00 p.m. The next Regular Meeting of the Board of Directors is scheduled for March 23, 2016 at the Borrego Water District. The Town Hall Meeting is scheduled for March 30, 2016 at the Performing Arts Center.