

**MINUTES OF THE  
SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
OTAY WATER DISTRICT  
April 11, 2018**

1. The meeting was called to order by President Smith at 3:32 p.m.

2. ROLL CALL

Directors Present: Croucher, Gastelum, Robak, Smith and Thompson

Directors Absent: None

Staff Present: General Manager Mark Watton, General Counsel Dan Shinoff, Chief Financial Officer Joe Beachem, Chief of Engineering Rod Posada, Chief of Operations Pedro Porras, Chief of Administration and Information Technology Adolfo Segura, Senior Confidential Executive Secretary Tita Ramos-Krogman and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

A motion was made by Director Thompson, seconded by Director Gastelum and carried with the following vote:

Ayes:	Directors Croucher, Gastelum, Robak, Smith and Thompson
Noes:	None
Abstain:	None
Absent:	None

to approve the agenda.

5. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

No one wished to be heard.

6. DISCUSSION DISPOSITION OF SALT CREEK GOLF COURSE

President Smith indicated that a special board meeting was being held to provide information of the Salt Creek Golf Course property's irrigation status. He noted that

it was Highland Links Golf Group, LLC's sole decision to close the Salt Creek Golf Course and that their lease agreement was terminated on March 31, 2018. President Smith highlighted that it is the Otay Water District's responsibility to utilize the property to the highest and best use. He stated that the District represents the ratepayers who trust that the District will provide the best services at the lowest cost. He shared that staff worked weekends and long hours to draft a study that included cost estimates to maintain the golf course. President Smith introduced Mr. Joe Beachem, Chief Financial Officer, to provide a staff report that included a recommendation to expend no funds to maintain the Salt Creek Golf Course.

Mr. Joe Beachem, Chief Financial Officer, stated that the District has verified with Executive Vice President Jeffrey Woolson of CBRE that a leasehold interest in a golf course property has little or no value (See Attachment A). Mr. Beachem also discussed the credentials of Mr. Nicholas R. Spardy from Harrell's Growing a Better World and indicated that Mr. Spardy provided a cost estimate to restore the golf course (See Attachment B). As stated in Mr. Beachem's staff report, "Without the viability of a lease, and without the need to hold this land, the District should be using a time frame of a minimum of many months up to a year or more to determine the future use of this property." He shared Mr. Spardy's cost estimate, which indicated that it would cost approximately \$38,725 to restore the greens on the property, and \$5,333 every month to maintain it. Mr. Beachem also shared cost estimates to maintain fairways. He noted that the current cost estimates are only estimates to restore the greens and fairways to a decent condition. Also noted was the impact to the District's Habitat Management Area (HMA) that is adjacent to the golf course; impacts such as unmanaged growth of invasive species that would thrive with watering the property.

General Manager Mark Watton stated that additional information of the Salt Creek Golf Course will be provided at the May 2, 2018, Regular Board meeting, which may include information about leasing the property. He said that the main focus for the District in the next three months is the disposition of the golf course. He stated that if the board chooses not to irrigate the golf course at this time, they could change their decision after receiving additional information of the golf course.

In response to a question from Director Croucher, General Manager Mark Watton clarified that the District only leased the land where the Salt Creek Golf Course was located and has never sold or leased golf courses. Over the years, the Lessees were the responsible parties who dealt with the sale of the golf course through bankruptcy court.

President Tim Smith opened the discussion item to the public.

Mr. Bob Barrett, representative for Sweetwater High School District golf teams, stated his support to have the Salt Creek Golf Course remain open. He stated that he coaches several high school golf teams who practice and have golf tournaments at the Salt Creek Golf Course. He indicated that several golf courses have closed

in the South Bay area making it difficult to find a place for local schools to practice. Mr. Barrett suggested that the District collaborate with the City of Chula Vista or local high schools to help keep the Salt Creek Golf Course open.

Ms. Samantha Tricky, an aide to Chula Vista Councilmember John McCann, spoke on behalf of Councilmember McCann. She shared that Councilmember McCann met with the residents surrounding the Salt Creek Golf Course who voiced their concerns about over development, traffic congestion, missing recreational activities, and the loss of event facilities. Councilmember McCann encouraged the District board members to maintain the property in good condition during the transition and keep the property's primary use as recreational. Ms. Tricky stated that Councilmember McCann and the City Manager of Chula Vista stand ready to be collaborative partners in finding a positive solution for the Salt Creek Golf Course property; a solution for both the Otay Water District ratepayers and the community surrounding the property.

Mr. Ed Fletcher, representing Salt Creek Mens Club, voiced his opinion and concerns regarding the Salt Creek Golf Course. He is in support of having the golf course remain open.

President Tim Smith indicated that at the May 2, 2018, Regular Board meeting, the board members will continue to discuss the disposition of the land; which may include the alternative to lease it. He acknowledged public members' comments regarding the acceptance of proposals from companies who would like to take over the golf course. It was noted that the District has not yet received any proposals. President Smith explained that the District has a legal process that includes the advertisement of leasing or selling the property; this legal process will be discussed at the May 2, 2018, board meeting. He opened the discussion item to the board members.

Director Mitch Thompson clarified that the agenda item is focused on the irrigation status of the Salt Creek Golf Course. He stated that the staff report is pretty clear that the District has to do what is financially sound for its customers/ratepayers. Director Thompson commented on the short notice of the Special Meeting, stating that the Special Meeting was in response to several comments that were made from public speakers at the April 4 Regular Board meeting; comments regarding the financial consequences of not watering the golf course.

Director Gary Croucher commented that the District's core is its water, rates, quality and reliability. He is encouraged that District staff plans to meet with the City of Chula Vista to discuss alternatives for the golf course, such as the possibility of the City providing irrigation services to the golf course. He discussed other variables that the District should consider, such as the cost for on-site security, impacts of dumping if the property becomes vacant, and partnerships with high schools/City of Chula Vista High School District to help support management and maintenance.

Director Hector Gastelum inquired if the Salt Creek Golf Course could become a fire hazard if it is not maintained. Director Gary Croucher stated that there is always that possibility. However, the area is monitored on a regular basis by the District's consultant and the US Fish and Wildlife Department since it is surrounded by the District's Habitat Management Area. In addition, the District can coordinate with the City of Chula Vista's Fire Department and the California Department of Forestry to monitor the property for fire hazards.

Director Hector Gastelum encouraged public members to continue to support and save the Salt Creek Golf Course. In addition, he commended staff for providing a detailed staff report on such a short notice. He noted that the staff report provides transparency to the public members.

Director Mark Robak commended staff for providing a staff report on such short notice to respond to public members' questions and concerns from the April 4, 2018, Regular Board meeting.

President Tim Smith inquired if the purpose of the agenda item was to focus on immediate watering of the golf course and to prevent the greens from dying. Chief Financial Officer Joe Beachem stated, "Yes." President Smith discussed the pros and cons of watering the greens and acknowledged comments made by board members. He stated that the District will look into collaborating with the City of Chula Vista and local high schools to help maintain the golf course, which would help the District financially and also minimize costs to its ratepayers.

Director Gary Croucher suggested that the District also collaborate with local community colleges, such as Southwestern College and also Cuyamaca Community College.

A motion was made by Director Robak, seconded by Director Thompson and carried with the following vote:

Ayes: Directors Croucher, Gastelum, Robak, Smith and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve staffs' recommendation that the District expends no funds to maintain the Salt Creek Golf course.

General Manager Mark Watton indicated that the agenda and board packet for the May 2, 2018, Regular Board meeting would be available for review on the District's website on April 27, 2018.

7. CLOSED SESSION

The board waived the closed session.

8. ADJOURNMENT

With no further business to come before the Board, President Smith adjourned the meeting at 4:15 p.m.

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President

ATTEST:

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District Secretary