

**Borrego Water District  
AGENDA  
Board of Directors  
Regular Meeting  
February 23, 2011  
9:00 AM  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Approval of Minutes
  - Regular meeting of January 26, 2011 (page 3-7)
- F. Comments from Directors and Requests for Future Agenda Items
- G. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)
- H. Correspondence:
  - Letter from C. Shimeall (page 8-10)
  - Letter from Doty's (page 11)
  - Letter from L. Spoon (page 12-16)
- I. Staff Reports:
  - A. Manager / Operations Report (page17-26)
- J. Attorney's Report

**II. CURRENT BUSINESS MATTERS**

- A. Discussion and possible appointment of new Director (page 27-30)
- B. Consideration of the District paying LAFCO annexation fee of \$4,000 for Lorch annexation into the District (page 31)
- C. Consideration and possible action of Bureau of Reclamation MOU and side agreement
- D. Consideration and possible action of USDA loan application status update
- E. Discussion of policy 2003-5-1, as amended 1/12/11: Directors and Officers Responsibilities and Limitations, as requested by Director Shimeall. (page 32-36)
- F. Discussion and possible action regarding recommendations from Due Diligence Committee Report (page 37-38)
- G. Consideration of approval of American Red Cross agreement for the use of facility for storage of mass care supplies. (page 39-42)
- H. Board to consider new signers for Bank account.

**III. COMMITTEE REPORTS & PROPOSALS**

**A. Ad Hoc Committees**

1. Due-diligence (M. Brecht/L. Brecht)
2. Professional Advisory (Hart/L. Brecht)
3. Capital Allocation Review (Hart/Shimeall) (page 43-47)

**IV. STAFF REPORTS**

- A. Water and Wastewater Operations Report – January 2011** (page 48)
- B. Water Production/Use Records – January 2011** (page 49-52)
- C. Financial Reports – January 2011** (page 53-67)

**V. INFORMATIONAL ITEMS**

**VI. CLOSED SESSION**

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** - Reference Government Code section 54956.9 (b) two potential cases.

**VII. CLOSING PROCEDURE**

**Adjournment** The next Regular Meeting of the Board of Directors is scheduled for March 23, 2011 at the Borrego Water District.

**Teleconference site available to the public: offices of Stradling Yocca Carlson & Rauth, 660 Newport Center Drive, suite 1600, Newport Beach, CA 92660**

**Borrego Water District**  
**MINUTES**  
**Regular Meeting of the Board of Directors**  
**Wednesday, January 26, 2011**  
**9:15 AM**  
**806 Palm Canyon Drive**  
**Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order: Director Shimeall called the meeting to order at 9:15 a.m.
- B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.
- C. Roll Call: Directors: Present: Lyle Brecht, Marshal Brecht, Hart, Shimeall  
Staff: Jerry Rolwing, Interim General Manager/Operations Manager  
Kim Pitman, Administration Manager  
Diana Del Bono, Administrative Assistant  
Allison Burns, Stradling, Yocca, Carlson & Rauth (available via teleconference)  
Wendy Quinn, Recording Secretary
- Public: Judy Meier, *Borrego Sun*                      Mark Remy  
Jim Engelke, Lundberg                              Ray Delahay  
Dennis Dickinson                                  David Dale, DCE  
Dick Walker                                          Jim Melvin  
Julian Peabody                                        Daniel Cardona, USDA  
Ray Shindler                                         Lucy Larson  
Rebecca Falk                                         Kathy Johnston  
Lara Maxwell

D. **MSC: L.Brecht/M.Brecht approving the Agenda as written.**

E. Approval of Minutes:

Regular meeting of December 15, 2010

*A motion was made by Director Lyle Brecht and seconded by Director Hart to approve the Minutes of the Regular Meeting of December 15, 2010 as written.* Director Hart pointed out that Roberts Rules of Order provide that the Minutes need only reflect action, not necessarily discussion. Accordingly, she requested that the last sentence of the second paragraph of Item I.F ("Secretary/Treasurer Mendenhall stated . . .") be stricken. **MSC: L.Brecht/Hart amending the motion to approve the Minutes. RC: AYES – L. Brecht, Hart, M. Brecht; NO – Shimeall. MSC: L.Brecht/Hart approving the Minutes of the Regular Meeting of December 15, 2010 as amended. RC: AYES – L. Brecht, Hart, M. Brecht; NO – Shimeall.**

Special Meeting of January 5, 2011

*A motion was made by Director Lyle Brecht and seconded by Director Hart to approve the Minutes of the Special Meeting of January 5, 2011 as written.* Director Hart corrected the report of Rebecca Falk's statement on page 2 of the January 5 Minutes (Agenda page 12, Item II.A, next-to-the-last paragraph) to read, ". . . the District ~~could~~ ~~should~~ not make a profit on the sale of its credits." **MSC: L.Brecht/Hart amending the motion to approve the Minutes. MSC: L.Brecht/Hart approving the Minutes of the Special Meeting of January 5, 2011 as corrected.**

Special Meeting of January 12, 2011

*A motion was made by Director Hart and seconded by Director Lyle Brecht to approve the Minutes of the Special Meeting of January 12, 2011 as written.* Director Hart corrected the first

sentence of the second paragraph in Item II.A (Agenda page 14) to read, ". . . the Board would also have access to consultants and *the General Manager-staff*." She pointed out a typographical error on Agenda page 16, third line (should be "to" instead of "by"). **MSC: Hart/L.Brecht amending the motion to approve the Minutes. MSC: Hart/L.Brecht approving the Minutes of the Special Meeting of January 12, 2011 as corrected.**

**F. Comments from Directors and Requests for Future Agenda Items:** Director Shimeall requested that Policy No. 2003-5-1 be placed on the next Agenda. Director Hart pointed out that the amendments made to that Policy affected Policy 83-2, page 2, item 4. It should be amended accordingly. Kim Pitman agreed to take care of it.

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

**H. Correspondence:** Mr. Rolwing referred to Richard Hawkins' letter of December 22, 2010, asking if the District was interested in purchasing his 250 acres of agricultural land. Mr. Hawkins has since passed away. It was agreed to contact his heirs and place the matter on a future Agenda.

Discussion of a letter from the *Borrego Sun* regarding a potential change in the day of the Board meetings was continued to Item II.L.

An e-mail from Robert Heyer included an article on an organic polymer which reduces evaporation in swimming pools. Mr. Rolwing suggested awaiting additional information and continuing to monitor the issue.

Mr. Rolwing reported that Julian Peabody had written a letter nominating Dennis Dickinson for the vacant position on the Board. Director Shimeall pointed out that this is not our normal procedure, and further discussion was continued to Item II.N.

**I. Staff Reports:**

**A. Manager/Operations Report**

Mr. Rolwing offered to answer questions on his written report.

**J. Attorney's Report:** Allison Burns reported that all the Montesoro foreclosure summary judgment motions were granted in the District's favor. She was awaiting a hearing on our motion for attorney's fees.

## **II. CURRENT BUSINESS MATTERS**

**A. Election of Board Officers:** Mr. Rolwing explained that District policy provides that Board officers serve for two years. The Vice President moves to President, Secretary/Treasurer to Vice President, and senior member to Secretary/Treasurer. However, with the election of three new Board members and the resignation of Director Mendenhall, this procedure is not applicable. Seniority of the three new members has been established according to votes received: M. Brecht, L. Brecht, Hart.

***Director Marshal Brecht nominated Director Hart for President, and she was unanimously elected by Roll Call Vote.***

***Director Hart nominated Director Lyle Brecht for Vice President, and he was unanimously elected by Roll Call Vote.***

***Director Hart nominated Director Marshal Brecht for Secretary/Treasurer, and he was unanimously elected by Roll Call Vote.***

**President Hart assumed the chair.**

**B. Presentation from US Department of Agriculture, rural development, Daniel Cardona:** Mr. Cardona explained that the USDA's rural development program includes single family homes, multi-family homes, farm labor housing, business and industry, community facilities, and local utilities. Grants and loans for water and wastewater facilities fall under local utilities. The program serves communities with populations of 10,000 or less. There is a pre-application process to determine eligibility, followed by financial information and determination of the amount of grant and/or loan to be

awarded. Projects addressing health and safety issues are given higher priority. Typical amounts are up to \$5 million for a loan or \$1 million for a grant. Loan terms are up to 40 years, and the current interest rate is 2.5 percent.

C. Consideration and possible approval of Professional Services Agreement from David Dale, Dynamic Consulting Engineers, Inc.: Mr. Dale explained that he became involved with the Borrego Springs community when he handled a successful USDA funding application for the Borrego Springs Park Community Services District and subsequently became its General Manager. The contract presented today would cover engineering services on an as-needed basis. Director Lyle Brecht asked whether he had experience in developing five to ten-year capital improvement programs from an engineering standpoint, and Mr. Dale replied that he did, throughout most of his career in Imperial Valley. Director Marshal Brecht requested his liability insurance policy limits. **MSC: Shimeall/M. Brecht approving the Professional Services Agreement with David Dale, Dynamic Consulting Engineers, Inc.**

**President Hart declared a recess at 10:25 a.m., and the Board reconvened at 10:35 a.m.**

D. Consideration and possible approval of sponsoring ABDNHA Native Plant Day in an amount not to exceed \$2,000: Mr. Rolwing noted that last year the District sponsored ABDNHA's Native Plant Day via the conservation budget, which no longer exists. He added that he would be participating in the event, presenting information on irrigation and water conservation. **A motion was made by Director Shimeall and seconded by Director Marshal Brecht to sponsor ABDNHA Native Plant Day in the amount of \$2,000.** Director Marshal Brecht expressed his support for the event and intention to donate personally, but questioned whether it was an appropriate expenditure of ratepayer funds. President Hart cited Policy 2003-5-2, providing that any contributions of public funds must be included and approved by the Board in the operating budget and are limited to civic organizations working toward groundwater management. Director Shimeall inquired about the District's contingency fund, and Ms. Pitman replied it is between \$40,000 and \$50,000. **The motion failed. RC: AYE – Shimeall; NOES – M. Brecht, L. Brecht, Hart.**

E. Consideration and approval of Notice of Exemption and Resolution 2011-01-01 for annexation of Lorch property: **MSC: L.Brecht/M.Brecht approving the Notice of Exemption and adopting Resolution 2011-01-01 for annexation of the Lorch property. RC: AYES – L. Brecht, M. Brecht, Shimeall, Hart.**

F. Review and possible approval of Viking Ranch parcel amendment: **A motion was made by Director Lyle Brecht and seconded by Director Marshal Brecht to approve the Viking Ranch parcel amendment.** Jim Engelke explained that the pickers at Viking Ranch expect to finish this week, and the farmer wants to begin fallowing in about two weeks. He wants to fallow the north portion first, facilitating timely cleanup of the State Park boundary. However, the agreement with BWD provides that the south portion be cleared first. Ms. Burns joined the meeting via teleconference, and Director Lyle Brecht asked whether the south-versus-north fallowing schedule was a negotiating point between the District and Viking Ranch. Ms. Burns replied that it was one of the points taken into consideration by the District. She suggested the matter be referred to committee and brought back to the Board. **Directors Lyle Brecht and Marshal Brecht withdrew their motion and second.** Director Lyle Brecht referred the matter to the Due Diligence Committee, asking that it be placed on the Board Agenda as soon as possible. President Hart asked that Mr. Engelke be notified of the Committee meeting.

G. Consideration and possible approval of authorization for additional service from MSA Consulting, Inc. for replacement of existing manhole #46: Mr. Rolwing referred to the Board's action in December approving a construction change order for replacement of manhole #46. The current proposal would cover the associated engineering work at a cost of \$5,200. **MSC: L.Brecht/M.Brecht**

*authorizing additional service from MSA Consulting, Inc. for replacement of existing manhole #46. RC: AYES – L. Brecht, M. Brecht, Shimeall, Hart.*

H. Discussion and possible action on Glenn Reiter contract: *MSC: L.Brecht/Hart suspending the contract with Glenn M. Reiter & Associates. RC: AYES – L. Brecht, Hart, M. Brecht, Shimeall.* President Hart asked Mr. Rolwing to notify Mr. Reiter of the Board's action.

I. Discussion and possible action on request for auditor to review cash and investment activity from July 2007 – December 2010, Diehl Evans & Co.: *MSC: L.Brecht/M.Brecht requesting Diehl, Evans & Co. to review cash and investment activity from July 2007 to December 2010 according to their proposal and to prepare a letter of engagement. RC: AYES – L. Brecht, M. Brecht, Shimeall, Hart.*

J. Discussion and possible action for RFP for Cocopah due diligence: Director Lyle Brecht pointed out that the Board needs to decide by May 29 whether to proceed with the Cocopah purchase. He proposed a due diligence study RFP on the District website, review of proposals by the Professional Advisory Committee and recommendation to the Board. Director Marshal Brecht requested an outside legal opinion as to whether the District can reverse its intention to purchase the property. *MSC: M.Brecht/L.Brecht approving the proposed action on an RFP for a due diligence study of the Cocopah purchase.* Director Lyle Brecht asked that proposals be directed to Diana Del Bono, questions directed to him, and proposals be due February 4. Director Marshal Brecht asked that the matter be placed on the next Agenda. Mr. Rolwing suggested checking with JPIA regarding the outside legal opinion; they may provide one free of charge.

K. Report, discussion and possible action(s) in response to Stern Brothers & Co. memorandum: Director Lyle Brecht summarized accounting issues raised by Dennis Ciocca and Harvey Schroeder in connection with Mr. Ciocca's efforts to secure a loan for the District to replace the I-Bank financing. He determined that based on the 2010 operating results, the District is no longer in a position to borrow in the capital markets. *MSC: L.Brecht/M.Brecht (1) authorizing the Due Diligence Committee, with Mr. Rolwing's concurrence, to work with District staff to prepare a cash flow pro forma forecast for the next 18 months; (2) authorizing Mr. Rolwing to explore the feasibility and cost of establishing a line of credit up to \$800,000; (3) authorizing Mr. Rolwing to work with Mr. Dale to develop a repair and replacement capital improvement plan for the next five to ten years; and (4) requesting the Professional Services Committee to develop a plan for recommended District advisors, then publish an RFQ for services (strategic, financial, accounting, management) to assist the District in addressing its cash flow situation. RC: AYES – L. Brecht, M. Brecht, Shimeall, Hart.* Director Lyle Brecht asked the committees and staff to keep Mr. Ciocca involved.

L. Consideration of rescheduling of monthly board meetings to a Monday or Friday: President Hart reported that Judy Meier had requested that the meetings continue on the fourth Wednesday because of the *Borrego Sun* deadline dates. Julian Peabody, one who had requested a change, was glad to defer to Ms. Meier. All agreed to leave the meetings on the fourth Wednesday but change the time to 9:00 a.m.

M. Discussion of holding a board workshop/special meeting on Tuesday, February 15<sup>th</sup> or Wednesday, February 16th: The Board agreed to hold a workshop/special meeting on Tuesday, February 15 from 9:00 a.m. to 10:30 a.m.

N. Consideration of resignation of Interim President Director Mendenhall and procedure for replacement: Mr. Rolwing distributed a memorandum from Ms. Burns outlining procedures for filling the Board vacancy. President Hart noted the District Board has 60 days to fill it, after which the Board of Supervisors may do so. It was agreed to advertise the vacancy on the District website and in the *Borrego Sun* and post it at the Post Office. Application letters will be due by February 14 at 4:00 p.m. Candidates will be invited to speak at the February 23 Board meeting and a decision will be made then. Mr. Peabody inquired about his nomination of Mr. Dickinson. President Hart explained that the established procedure must be followed, but the public may submit letters of support for a candidate.

### III. COMMITTEE REPORTS & PROPOSALS

#### A. Ad Hoc Committees:

1. Due-diligence. No report.
2. Professional Advisory. President Hart invited questions on the written Committee report in the Agenda. Director Lyle Brecht indicated his intention to call a Committee meeting soon.
3. Capital Allocation Review. President Hart reported the Committee is developing an agenda and would be meeting soon. An announcement will be posted on the District website.

### IV. STAFF REPORTS

A. Water and Wastewater Operations Report – December 2010: Mr. Rolwing reported that the new lift station is nearly complete. There was another main break on Montezuma Road, and the crew will begin repairs next week.

B. Water Production/Use Records – December 2010: Mr. Rolwing reported the December water loss was higher than usual due to metering problems and a break near the airport. He would be working with Mr. Dale on pressure testing, and may need to include this as an item in next year's budget. A motor was lost on Well 16, and Mr. Rolwing was working with SDG&E to determine who was responsible.

C. Financial Reports – December 2010: Ms. Pitman summarized the highlights of her written report and offered to answer questions. Director Lyle Brecht inquired about quarterly interest payments on the Viking Ranch purchase, and Ms. Pitman replied that none have been made yet. Ms. Burns will set up an escrow account. President Hart noted there were several checks listed for "medical," and Ms. Pitman explained that each Service Area (Improvement District) has its own cost center. President Hart questioned the expenditure for the IRWMP, and Mr. Rolwing explained that we are trying to get DWR to reconsider our planning grant application. DWR has agreed to prepare the GIS portion of the Plan, which will save \$50,000, and the IRWMP has applied for the services of a State facilitator, which will save some consulting fees. Director Marshal Brecht commended Ms. Pitman on the 11700 Account Report and urged that these be continued.

D. Year to Date Meter Installations: President Hart invited the Board's attention to information in the Agenda.

E. Meter Installation History: President Hart invited the Board's attention to information in the Agenda.

### V. INFORMATIONAL ITEMS

None

### VI. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Reference Government Code section 54956.9(b) one potential case:

The Board adjourned to closed session at 12:50 p.m., and the open session reconvened at 1:15 p.m. There was no reportable action.

### VII. CLOSING PROCEDURE

Adjournment. There being no further business, the meeting adjourned at 1:15 p.m. The next regular meeting of the Board of Directors is scheduled for February 23, 2011 at the Borrego Water District.

*Jerry Rolwing*

*Feb 7, 2011*

**Open letter to: Newly Elected Directors of Borrego Water District , Lyle Brecht, Marshal Brecht, Beth Hart  
Copy to: Jerry Rolwing, Acting Manager . BWD  
And to: Borrego Community Stakeholders**

**True, the November election of new BWD board members has passed and the “ three who agree” voting block has been seated on the board.**

**True, the “three who agree” have already made some significant changes (as recorded in Borrego Sun) in how the board does business. Only time will tell whether business will be done with more “accountability and transparency” as was promised in the candidates statements as published in the Borrego Sun.**

**As a member of this community, I now ask that you respond by being accountable and transparent to the following question:**

**What is your plan to achieve sustainability of the water in the Borrego Valley aquifer?**

**Your candidate proposals for change included ways of reducing expenditures . While this is important and certainly helped draw votes, your fundamental focus needs to address the first part of the Borrego Water District Mission Statement, which is in part ,**

**“to preserve and conserve it’s priceless resource so as to reverse the overdraft of the Borrego Valley “.....**

**I would expect that your plan to address the overdraft would , at least in skeleton form, be included in the**

**agenda for the Spring Town Hall meeting to be held at  
the end of March or in early April.**

**Respectfully,**



**Clark M. Shimeall**

[Print](#) | [Close Window](#)

**Subject:** clark letter  
**From:** jerry@borregowd.org  
**Date:** Thu, Feb 10, 2011 2:16 pm  
**To:** ceshimeall@gmail.com

Hi Clark, thank you for the letter regarding the Town Hall Meeting material. I will include it in with correspondence in the Feb. 23rd agenda.

Jerry Rolwing  
Interim General Manager  
and Operations Manager  
Borrego Water District  
760/767-5806

Copyright © 2003-2011. All rights reserved.

Club Circle golf course could be??

But as of now it is almost unplayable  
Fairways are 3 to 4 inches of uncut grass (mostly clover)  
Greens have Dandelions by the dozens,  
One green today had  $\frac{3}{17}$  blooming yellow flowers  
We have played the course off+on since 1992.  
We were <sup>all</sup> for maintaining the course, but after a  
month of trying to play it, we <sup>see</sup> if you can't  
maintain it — TAKE it out all together!

What I see on the course is mainly visitors etc,  
not Home owners. <sup>of this area</sup> Why should I pay \$17<sup>00</sup> on my  
Water Bill, All Borrego should support it.



The Doty  
2746 Foursome Dr

[Print](#) | [Close Window](#)

**Subject:** RE: [SPAM] Mustard Eradication  
**From:** jerry@borregowd.org  
**Date:** Thu, Feb 03, 2011 7:34 am  
**To:** "Lisa Spoon" <lcspoon@live.com>

Thanks for the letter, I will forward to the Board's attention for the Feb. 15th workshop/special meeting. This meeting will be held at 9:00 am at 806 Palm Canyon Drive.

Jerry Rolwing  
Interim General Manager  
and Operations Manager  
Borrego Water District  
760/767-5806

----- Original Message -----

**Subject:** [SPAM] Mustard Eradication  
**From:** Lisa Spoon <lcspoon@live.com>  
**Date:** Wed, February 02, 2011 3:40 pm  
**To:** <jerry@borregowd.org>, Sam WebbABDSP <swebb@uia.net>

February 2, 2011

Borrego Springs Water District  
Attn: Jerry Rolwing

Re: End of water line at Santa Fe Trail

Dear Jerry,

As a member of the Sahara Mustard Weed Eradication Task Force, I am looking for support from the Water District in the community's effort to eradicate the mustard. A field of the invasive mustard has been created at the end of the line on Santa Fe Trail, where the Water Department regularly bleeds the line at the end of the cul-de-sac.

We ask for help in pulling the invasive mustard, as it is more than can be done alone.

Thank you for your consideration.

Sincerely,  
Lisa Spoon  
Sahara Mustard Eradication Task Force  
858-699-8302  
[lcspoon@live.com](mailto:lcspoon@live.com)

Copyright © 2003-2011. All rights reserved.

[Print](#) | [Close Window](#)

**Subject:** RE: [SPAM] Mustard Eradication  
**From:** [jerry@borregowd.org](mailto:jerry@borregowd.org)  
**Date:** Thu, Feb 10, 2011 2:18 pm  
**To:** "Lisa Spoon" <[lcspoon@live.com](mailto:lcspoon@live.com)>

Hi Lisa, I had to change this to the Board's regular meeting of Feb. 23 since there will be no opportunity for correspondence at the workshop. I will include the pictures from Mr. Webb.  
Thanks,

Thanks for the letter, I will forward to the Board's attention for the Feb. 15th workshop/special meeting. This meeting will be held at 9:00 am at 806 Palm Canyon Drive.

Jerry Rolwing  
Interim General Manager  
and Operations Manager  
Borrego Water District  
760/767-5806

----- Original Message -----

**Subject:** [SPAM] Mustard Eradication  
**From:** Lisa Spoon <[lcspoon@live.com](mailto:lcspoon@live.com)>  
**Date:** Wed, February 02, 2011 3:40 pm  
**To:** <[jerry@borregowd.org](mailto:jerry@borregowd.org)>, Sam WebbABDSP <[swebb@uia.net](mailto:swebb@uia.net)>

February 2, 2011

Borrego Springs Water District  
Attn: Jerry Rolwing

Re: End of water line at Santa Fe Trail

Dear Jerry,

As a member of the Sahara Mustard Weed Eradication Task Force, I am looking for support from the Water District in the community's effort to eradicate the mustard. A field of the invasive mustard has been created at the end of the line on Santa Fe Trail, where the Water Department regularly bleeds the line at the end of the cul-de-sac.

We ask for help in pulling the invasive mustard, as it is more than can be done alone.

Thank you for your consideration.

Sincerely,  
Lisa Spoon  
Sahara Mustard Eradication Task Force  
858-699-8302  
[lcspoon@live.com](mailto:lcspoon@live.com)

Copyright © 2003-2011. All rights reserved.





# **Borrego Water District Management/Operations Report – February 2011**

*By: Jerry Rolwing*

## **FEDERAL LEVEL**

U.S. Geological Survey: Contacted Peter Martin about USGS drilled well in Clark Lake, as reported by Dr. Jim Rickard. Dennis Dickinson found a report on the well and provided the data to the District (see attached memorandum). I have asked Mr. Martin for an interpretation of the well log. Invited Peter Martin and Claudia Faunt to give a presentation at the 10th Annual Town Hall Meeting.

U.S. Department of Reclamation: Compiling additional staff time for the District's matching funds for the S.E. California Basin Study.

State and Tribal Assistance Grant (STAG): Working with consultant Bill Mills on preparing quarterly report (due Dec. 2010) and processing invoices.

## **STATE LEVEL**

California Department of Water Resources (DWR): Invited Tim Ross, Senior Engineering Geologist, of the Southern District office in Glendale, CA to give a presentation at the 10th Annual Town Hall Meeting. Staff and consultant Bill Mills continue to work on the IRWM (Integrated Regional Water Management) Plan. An application was submitted for State paid facilitator to assist with planning process. This person would be provided free of charge not to exceed \$34,748 and would be a State consultant from Sacramento State University, Center for Collaborative Policy. I started the process of compiling Geographical Information System data to send to Southern District office for the development of the IRWM GIS system to be featured on the District's website.

## **COUNTY LEVEL**

We are still waiting on County DPLU (department of planning and land use) staff to make a decision in regards to "banking" water credits. Staff held an internal meeting on February 17th and they plan to create a new groundwater ordinance for Borrego Springs. They still would like to see the District handle the water credit program as the program's administrator. Jim Bennett of the County DPLU staff would like to make a presentation to the Board at a future date.

I have been working with DPW (department of public works) on two issues, billing for construction inspections and the engineering plan for the Montezuma Road pipeline project. Spoke with County inspector and discussed our concern over high invoices. He will check in at the District office on future visits. County approved first half of Montezuma Rd. pipeline project. To date, first 400 feet is laid.

## **LOCAL LEVEL**

I am planning to give an irrigation seminar at ABDNHA's Native Plant Day. This will be held Saturday March 5<sup>th</sup>. We also received a request to have a booth at the Health Fair on the same day and will try to accommodate both requests.

## DISTRICT LEVEL

At the Board's request, I have worked with consulting engineer David Dale and drafted a 10 year Capital Improvement Plan. Also included is a memorandum describing the justification supporting the data. Both are attached to this report.

The new wastewater lift station is now operational. This new \$600,000 facility will combine the effluent from the Town Center Sewer (TCS) System and the old Borrego Springs Park Community Services District (CSD) area (ID-5) and pump to the Rams Hills Wastewater Treatment Plant. The old TCS lift station will be removed from service and the CSD package plant will be mothballed and evaluated for resale.

We have new data on the Clark Lake project which is a memorandum and letter from Tim Ross, attached to this report.

Staff continues to work with the Air Pollution Control District (APCD) of San Diego County to permit the diesel engines and generators of the District.

The 10th Annual Town Hall Meeting will be held on Wednesday March 30th at 4:00 pm. The agenda is not finalized at this time but will feature presentations by the USGS on the numeric model of the aquifer and the California Department of Water Resources on water level data and associated water table maps.

Kim Pitman and I met with Bill Huck and Rick Vesce on the proposed sale of the Montesorro project. They are working with the bond holder and if all goes well, will be addressing the Board at either the March 15th workshop or the March 23rd Board Meeting.

The administration office computers were updated to Windows 7 due to conflicts on the network from the various operating systems in the building.

Met with local resident and engineer Jack Laughlin to answer his questions regarding groundwater issues and studies.

Worked with legal counsel Allison Burns on preparing the Lorch annexation paperwork.

Two new 6" meters were installed at the RoadRunner Club and the Springs at Borrego RV Resort.

Work continues on the Montezuma Road pipeline project.

## MEMORANDUM

Date: February 18, 2011  
To: Board of Directors  
From: Jerry Rolwing, Interim General Manager  
RE: Clark Lake project

Two recent events have shed some light on the Clark Lake exploration project. The first was the collection and analysis of the water quality at the Decker #2 well located immediately south of the District's five-acre parcel in section 26, Township 9S, Range 7E. The analysis shows the water quality is potable, but less quality than the existing data from the Nancy Ellis well located to the west in section 30. One of the principle water quality measurements are in total dissolved solids (tds). For reference, spring water is generally 100 tds, the ocean is roughly 30,000 tds and you should not drink water with levels over 1000 tds. BWD water ranges from 220 to 620 tds. The Ellis well had a test performed in 1981 which showed 206 tds and the recent Decker well showed 680 tds. Also levels of flouride and mangenese were higher in the Decker well sample than we see in BWD water.

The second piece of new information was the result of a 1980 USGS Open File report obtained by local resident Dennis Dickinson. The single-plate file depicts geophysical and lithologic data from a test well drilled in Clark Lake circa 1980, brought to the District's attention by Dr. Jim Rickard. Attached is a brief comment from Dr. Tim Ross of the California Dept. of Water Resources indicating that the water may at depth but likely not to be very good quality.

from e-mail message sent 2/17/11

Hi Jerry,

I looked at the log. I also had our new geologist Eric Gorman look at it. Eric has several years experience in drilling, logs, and interpreting water supply wells.

Interpretation of the gamma log (squiggly line on the left side) does not match very well with the geologic description based on the samples take while drilling.

The lithology (geology) description would suggest that there is a thick zone that would likely be productive below about 235 feet depth. The material is described as coarse sand with pebbles and some minor amount of silt. However, the description includes identification of "thenardite" a sodium sulfate salt (gypsum is calcium sulfate salt). The presence of thenardite would imply that the water quality is probably poor or very poor with high TDS and sulfate components. Eric also thinks it likely that there may be elevated arsenic or other heavy metals present based on the general location in a closed drainage basin with a dry lake bed.

So – there is a good chance that the lower section of the well would have good production, but the water quality may be poor.

I hope this helps you,

Cheers,

Tim

Timothy M. Ross Ph.D., PG, CHG

Department of Water Resources

Southern Region

770 Fairmont Ave. Suite 102

(818) 500- 1645 x278

[tross@water.ca.gov](mailto:tross@water.ca.gov)

[Print](#) | [Close Window](#)

**Subject:** GW Ordinance Amendment - Borrego Valley

**From:** "Bennett, Jim" <Jim.Bennett@sdcounty.ca.gov>

**Date:** Fri, Feb 18, 2011 12:22 pm

**To:** <jerry@borregowd.org>

**Cc:** "Beddow, Donna" <Donna.Beddow@sdcounty.ca.gov>, "Steven, Heather" <Heather.Steven@sdcounty.ca.gov>

Hi Jerry,

I wanted to let you know that we are proceeding with a Groundwater Ordinance Amendment to bring forward for approval to the Board of Supervisors. The Ordinance Amendment will officially require all discretionary development (this does not include building permits) to fully offset their water use in Borrego Valley. The Ordinance Amendment will also describe potential acceptable mechanisms in which developers can seek to meet this requirement.

The first acceptable mechanism would be for the applicant to purchase land or obtain an easement over land which currently has a water use associated with it equivalent to proposed water use for the project.

The second acceptable mechanism would be to obtain water credits that would be created through the Borrego Water District's Water Credit Policy that have been reviewed and approved by the County. A list of performance criteria will be included in the Ordinance amendment to clearly define the parameters of what would define an acceptable water credits transaction. Any water credits transaction set up through Borrego Water District will need to meet the performance criteria contained within the GW Ordinance before being considered for approval by the County.

What the County is looking for is for BWD to take the lead in administering the water credits program in which individual owners of land could come to the district and enter into an agreement in which they agree to permanently stop watering a specific piece of land. In entering into agreement with BWD, your district could charge fair administrative fees for setting up the agreement and administrative costs including accounting for the water credits after they are released to the individual owner of the land. The water credits would then be released and become free market credits for the owner of the credits to sell to developers at a price that the free market will ultimately dictate. Additionally, we would be asked to be a third party beneficiary in any water credits transaction that occurs so that we would have the ability to enforce if need be to ensure the durability of water credits created.

There are a number of details that need to be worked out as we head forward, but I am hopeful that this Ordinance Amendment will be a win-win for the County and BWD. I look forward to working together with you as we proceed and would be happy to talk to your Board about our plans and/or at your upcoming town hall meeting if you think it would be helpful.

Thanks and have a nice weekend,

Jim Bennett, Groundwater Geologist  
PG #7707, CHG #854

**County of San Diego**  
**Department of Planning and Land Use**  
5201 Ruffin Road, Suite B, MS O-650  
San Diego, CA 92123  
Phone: 858-694-3820 Fax: 858-694-3373

Copyright © 2003-2011. All rights reserved.

## MEMORANDUM

**DATE:** February 15, 2011  
**TO:** Borrego Water District Board of Directors  
**FROM:** Jerry Rolwing, Interim General Manager and David Dale, Dynamic Consulting Engineers, Inc.  
**Re:** Borrego Water District, 5-10 Year Capital Improvement Program (CIP) Justification

This memorandum is to provide detailed information and justification for the proposed CIP for the next ten years. Through a regular maintenance schedule, the infrastructure of the Borrego Water District is in overall good condition. The District is proactive in planning for replacement of known short lived assets and necessary capital improvement projects to increase the useful life and reliability of the system, and reduce the District's risk and overall maintenance costs. This is done through the dedication and experience of the system operators and staff. The District's consulting engineer participated in the preparation of this CIP and Short Lived Assets replacement program.

A CIP will provide many benefits to the District. The CIP will:

- Allow for a systematic evaluation of all potential projects at the same time.
- Provide the ability to stabilize debt and consolidate projects to reduce borrowing costs.
- Serve as a public relations and economic development tool.
- Preserve the District's infrastructure while ensuring the efficient use of public funds.
- Be a tool used for applications for Federal and State grant and loan programs.

Projects included in the CIP were prioritized based on many years of experience and firsthand knowledge of the system and its deficiencies. The anticipated costs for each project were developed based on trends in the market and historical costs to the District. Normal operating expenses (such as office equipment and minor repairs) are not included in the short lived assets program. The CIP includes projects with a value of \$1,000.00 or more.

Justification for the expected expenses in the CIP and Short Lived Assets are as follows:

### **Short Lived Assets**

#### **Wells**

This data was compiled from historical repairs to the pumps over a 10 year period. The trends for repairs and replacements of motors and well casing have also been reviewed over the period. The wells are the essential component of the water production operation. When a well fails, the entire distribution system is disrupted. The goal is to properly maintain the equipment on a proactive basis and work for timely, cost effective repairs before failure. Based on historical trends, the numbers provided in the Short Lived Assets are realistic. Staff strives to keep the equipment adequately maintained; however some unexpected failures will undoubtedly arise.

## **Tanks**

The California Department of Health Services requires the District to physically inspect the inside of the domestic water reservoirs every three years. This service is performed by a consultant that utilizes divers and provides a written report as well as a video. There is one steel reservoir that is equipped with cathodic protection that presently needs resurfacing. We have two (one domestic and one irrigation) reservoirs that are fitted with a hyperlon bladder. These bladders need periodic replacements and the costs are based on previous installations. The remaining six reservoirs were constructed with galvanized metal which historically has proven to be compatible with the constituents in our local groundwater.

## **Booster Stations**

This data was compiled from historical repairs and anticipated replacement costs.

## **Wastewater Plant**

The costs associated with the wastewater operations are based on historical records and anticipated repairs by the wastewater treatment plant operator who has been with the District for 25 years. With the anticipated completion of the new lift station and subsequent removal of the ID-5 package plant (formerly the Borrego Springs Park Community Service District), the sewer operational repairs and maintenance will be concentrated on the 25 year old wastewater plant. There are no provisions for reclaiming water (tertiary treatment) in this plan since that is based solely on population expansion to justify the change in operation.

## **Equipment**

These costs are based on normal wear and tear on District vehicles and equipment.

## **Capital Improvement Program (CIP)**

### **Capital Improvement Projects include Wells, Booster Stations, Reservoirs and Associated Transmission Mains**

These are expected major capital improvement items that are anticipated to be required in the next ten year period. These costs do not account for unanticipated population growth or decline.

### **Wastewater Plant**

These costs are associated with new installation required by the operator for containment purposes.

### **Pressure Reducing Stations**

These are estimated expenditures based on past and future studies regarding the distribution system.

### **Pipelines**

The distribution system requires continual upgrades to avoid pipeline breaks and associated damages from negligence. The list of future projects was compiled with staff and engineering assistance and represents the anticipated pipeline improvements to alleviate any future problems with high pressures currently experienced within the distribution system.

### **Other Infrastructure**

Over time, fire hydrants fail and require replacement. Some of the older hydrants in the system are constructed with inferior material as compared to today's standards and a regular replacement program is needed.

	Priority	Reason	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	6 Yr	7 Yr	8 Yr	9 Yr	10 Yr
<b>Wells, Booster Stations, Reservoirs and Associated Transmission Mains</b>												
Wilcox Reservoir, 2.0 MG	1a	District-wide Storage					\$ 1,300,000					
Wilcox Related Transmission Mains	1b	District-wide Storage					\$ 2,000,000					
Wilcox Booster Station/Forebay	1c	District-wide Storage					\$ 400,000					
New well north end of Valley	2a	Additional Water Supply						\$ 400,000				
Transmission mains for new well	2b	Additional Water Supply							\$ 400,000			
Indianhead Reservoir, 0.5 MG	3a	Additional Water Storage								\$ 375,000		
Indianhead Transmission Mains	3b	Additional Water Storage									\$ 800,000	
<b>Wastewater Plant</b>												
Catchment basin along north and northeast side of property	1	Reason Contaminant	\$ 5,000									
<b>Pressure Reducing Stations</b>												
ID4, Reducing Sta. design and installation	1	Reason	\$ 25,000									
ID4, Reducing Sta. design and installation	2	Study and resolve pressure issues						\$ 25,000				\$ 25,000
ID5, Reducing Sta. design and installation, Borrego Valley Rd.	3	Connection to ID-1 system										
<b>Pipelines</b>												
Borrego Springs Rd, Weatherlane Dr. to Barrel Dr.	1a	Reason size	\$ 112,500									
Borrego Springs Rd, Wa Kings H Dr. to Tilting T Dr.	1b	No pipeline, reduce system pressure										
Borrego Springs Rd, Tilting T Dr. to Country Club Rd. First half	1c	No pipeline, reduce system pressure	\$ 162,750									
Borrego Springs Rd, Tilting T Dr. to Country Club Rd. Second half	1d	No pipeline, reduce system pressure	\$ 142,500									
Borrego Springs Rd, Christmas Circle to Diamond Bar Dr.	1e	No pipeline, reduce system pressure										
Borrego Springs Rd, Diamond Bar Dr. to T Anchor Dr.	1f	No pipeline, reduce system pressure						\$ 78,000				
Borrego Springs Rd, Christmas Circle loop	1g	No pipeline, reduce system pressure						\$ 138,500				
Borrego Springs Rd, Upgrade #8 to 10" Country Club Rd. to San Pablo Rd	1h	Undersized pipeline							\$ 61,650			
Borrego Springs Rd, Upgrade 8" to 10" north of Weatherlane Dr.	1i	Undersized pipeline							\$ 165,000			
Circle J Dr.	2	Weakest existing pipeline	\$ 108,000									\$ 49,500
Bending Elbow Rd. First half	3	Weakest existing pipeline	\$ 102,000									
Bending Elbow Rd. Second half	4	Weakest existing pipeline	\$ 102,000									
Double O	5	3" main, limited fire flow cap.						\$ 180,000				
Fairway Lane	6	Old line, gas-sterilizable taps						\$ 36,000				
Club Circle East	7	Replace old mains							\$ 105,000			
Club Circle West	8	Replace old mains							\$ 105,000			
Borrego Valley Rd. South of Tilting T	9	Loop ID1-ID5 east side								\$ 150,000		
De Anza Dr. 1600 block	10	Replace old mains									\$ 75,000	
<b>Other Infrastructure</b>												
Fire Hydrant Replacements		Reason	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
<b>TOTAL - CAPITAL IMPROVEMENTS PROGRAM</b>			\$ 129,500	\$ 307,750	\$ 256,500	\$ 249,000	\$ 3,970,000	\$ 191,500	\$ 178,650	\$ 682,000	\$ 611,500	\$ 1,287,000
<b>TOTAL - SHORT LIVED ASSETS (FROM SHEET 2)</b>			\$ 245,000	\$ 200,000	\$ 165,000	\$ 164,000	\$ 232,500	\$ 135,000	\$ 158,000	\$ 162,000	\$ 221,000	\$ 173,500
<b>Total CIP and Short Lived Assets</b>			\$ 374,500	\$ 507,750	\$ 421,500	\$ 413,000	\$ 4,202,500	\$ 326,500	\$ 336,650	\$ 844,000	\$ 832,500	\$ 1,460,500

Wells	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
ID1-1, replace 40 Hp submersible pump, clean casing					\$ 15,000					
ID1-2, replace 40 Hp submersible pump								\$ 7,000		
ID1-8, 125 Hp, rewind motor in yr 4, pump and casing cleaning in yr 10				\$ 10,000						\$ 35,000
ID1-10, 150 Hp, rewind motor in yr 2, pump and casing cleaning in yr 5		\$ 10,000			\$ 45,000					
ID1-12, 200 Hp, rewind motor in yr 3, pump and casing cleaning in yr 6			\$ 12,000			\$ 60,000				
ID1-16, 300 Hp, pump and casing cleaning in yr 5, rewind motor in yr 7				\$ 60,000			\$ 20,000			
Wilcox, Diesel drive, pump and casing cleaning in yr 10										\$ 10,000
ID4-4, 150 Hp, rewind motor in yr 3, pump and casing cleaning in yr 8			\$ 10,000					\$ 50,000		
ID4-10, replace 30 Hp submersible yr 5 and yr 10					\$ 8,000					\$ 8,000
ID4-11, 200 Hp, pump and casing cleaning in yr 1, rewind motor yr 7	\$ 60,000	\$ 15,000								
ID4-18, 100 Hp, rewind motor in yr 3, pump and casing cleaning in yr 7			\$ 8,000				\$ 40,000		\$ 60,000	
ID5-5, 200 Hp, rewind motor in yr 4, pump and casing cleaning in yr 9				\$ 10,000						
Tanks	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
Rams Hill #1, 1980 steel, needs inside coating, 1.25 MG	\$ 150,000									
Rams Hill #2, 1980 galv. 0.44 MG, inside coating				\$ 40,000						
800 Tank, Hyperlon 2003 new liner, 0.75 MG		\$ 125,000								
Reclaim #1, 1985, galv repaired 2010 0.4 MG					\$ 40,000				\$ 125,000	
Reclaim #2, Hyperlon 2005, 1 MG										
Indianhead, 1970's 1-0.22MG, inside coating						\$ 40,000				
Twin Tanks, 1970's 2-0.22 MG, inside coating #1 in yr 3, #2 in yr 10		\$ 40,000								
Country Club, 1999 1.0 MG										
Booster/Pressure Reducing Sta.	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
ID1, Booster Sta. 1, #1, 30 Hp, motor yr 1, pump yr 3	\$ 4,000		\$ 9,000							
ID1, Booster Sta. 1, #2, 30 Hp, motor yr 3, pump yr 6			\$ 4,000		\$ 9,000					
ID1, Booster Sta. 1, #3, 50 Hp, motor and pump yr 3			\$ 15,000							
ID1, Booster Sta. 2, #4, 30 Hp, motor yr 2, pump yr 5	\$ 4,000				\$ 9,000					
ID1, Booster Sta. 2, #5, 30 Hp, pump yr 3, motor yr 4			\$ 4,000	\$ 9,000						
ID1, Booster Sta. 2, #6, 50 Hp, motor yr 2, pump yr 8	\$ 5,000							\$ 10,000		
ID4, Booster Sta. 3, #7, 25 Hp, motor yr 4, pump yr 8				\$ 4,000				\$ 9,000		
Wastewater Plant	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
Shredder Cutters	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Motor and Gear Reducers for Brushes			\$ 16,000				\$ 16,000			
Wastewater Return Pump			\$ 6,000				\$ 6,000			
Surface Aerator Motor					\$ 4,500					\$ 4,500
Equipment	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
Tractor w/gannon for road work		\$ 25,000								
Backhoe					\$ 80,000					\$ 80,000
Pickups	\$ 20,000		\$ 20,000		\$ 20,000		\$ 25,000		\$ 25,000	
Big Truck				\$ 50,000				\$ 50,000		
Misc. Equipment	\$ 5,000	\$ 10,000	\$ 5,000	\$ 15,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 20,000	\$ 5,000	\$ 20,000
Computers/Office Equipment			\$ 10,000		\$ 10,000			\$ 10,000		\$ 10,000
<b>SHORT LIVED ASSETS REPLACEMENT PROGRAM</b>	<b>\$ 245,000</b>	<b>\$ 200,000</b>	<b>\$ 165,000</b>	<b>\$ 164,000</b>	<b>\$ 232,500</b>	<b>\$ 135,000</b>	<b>\$ 158,000</b>	<b>\$ 162,000</b>	<b>\$ 221,000</b>	<b>\$ 173,500</b>

28 January 2011  
P.O. Box 2632  
Borrego Springs, CA 92004

Board of Directors  
Borrego Water District  
806 Palm Canyon Drive  
P. O. Box 1870  
Borrego Springs, CA 92004  
Attn: General Manager

Via e-mail to [diana@borregowd.org](mailto:diana@borregowd.org)

**Re: Application for appointment to the BWD Board of Directors**

Dear Directors:

I write to express my interest in being considered for the existing vacancy on the Borrego Water District (BWD) Board of Directors per the notice of that vacancy published by the BWD on 27 January 2011. This letter will serve as my formal application for appointment to the BWD Board of Directors.

I reside at 3388 Country Club Road in a home my wife and I purchased in 1999 and have lived in for nearly eleven years. I am a full-time resident of and registered to vote in Borrego Springs, CA.

I am retired and have been active in the affairs of the BWD since moving to Borrego Springs. Since 2003 I have maintained a listserv to facilitate communication among residents of Borrego Springs and others interested in local water issues. Since 2004 I have managed a website <[borregowaterunderground.org](http://borregowaterunderground.org)> that focuses on water related issues in the Borrego Valley. I have had numerous letters and opinion pieces about water and the Borrego Water District published in the *Borrego Sun* and a few in the *San Diego Union Tribune* as well. I also served one term on the Borrego Springs Community Sponsor Group.

I have no active or passive sources of income within the BWD's sphere of influence and so no conflicts of interest with the affairs of BWD beyond those of any other resident/homeowner in the District.

My interest in serving on the BWD board derives entirely from a belief that the BWD should provide a reliable, affordable, and sustainable water

(over)

Application for appointment to the BWD Board of Directors

28 January 2011

Page 2 of 2

supply while operating as efficiently, economically, and transparently as possible and a desire to contribute to that end.

If you require any additional information from me pursuant to this application, I shall be happy to provide it. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "D. W. Dickinson".

Dennis W. Dickinson

[Print](#) | [Close Window](#)

**Subject:** Fwd: Director's spot & water law attorney recommendation  
**From:** Lyle Brecht <lbrecht@gmail.com>  
**Date:** Tue, Feb 08, 2011 11:16 am  
**To:** Diana Del Bono <diana@borregowd.org>

another candidate for the open spot on the board

----- Forwarded message -----

**From:** LEE. Estep <lee8989@sbcglobal.net>  
**Date:** Tue, Feb 8, 2011 at 08:58  
**Subject:** Re: Director's spot & water law attorney recommendation  
**To:** Lyle Brecht <lbrecht@gmail.com>

Hi Lyle...I am a registered voter in Borrego, since 75...served on the community Services Board for Club Circle 1 term. I would be pleased to serve out Mendenhalls final two years....Lee E

Copyright © 2003-2011. All rights reserved.

I would like to apply for the open Board position.

I am a resident + registered voter. 427 CATARINA DR  
February 9, 2011

Borrego Springs CA 92004

Bio for Jim Jordan, age 73 PO Box 688 760-767-4933

Jim retired in December 2005 from Spirent Communications/Spirent Federal Systems with over 46 years of experience in sales, marketing and senior management for high technology companies.

In 1994, he joined Netcom Systems, Inc as the 8<sup>th</sup> employee - helped to build the company's infrastructure to develop a strong management team - and took the company from \$2 million to over \$50 million in 1997 when 80% of Netcom was acquired for \$170 million by an investment group led by Summit Partners. In 1999, we had filed for an IPO when Spirent Communications acquired Netcom. Jim then led the sales force integration of multiple Spirent acquisitions (Adtech, Telecom Analysis Solutions, Netcom, Global Positioning Systems, Zarak, DLS Systems - - and developed a worldwide direct sales team of over 240 people with revenues of over \$400 million USD.

From 1986 to 1991, Jim was president and CEO of Jordan Electronics, a manufacturer's representative for leading data network vendors.

Jim engineered the sale of Jordan Electronics and six other manufacturers' representative firms to Network General (now McAfee) in 1991 and stayed on 3 years to assist in a smooth transition from indirect manufacturers' representatives to a direct sales team.

Prior to founding Jordan Electronics, Jim was president and CEO of Moxon Electronics, a firm he joined in 1959, acquired in 1973 and grew to 140 employees with over \$70 million in annual gross sales of data communications and instrumentation products. In 1985 he sold the Rep firm to internal investors.

Jim is past President of So Cal Electronics Representatives Association (ERA), a former National ERA officer and a Life Member of ERA. He has Executive MBA degrees from UCLA, UC Irvine, and University of Illinois. Jim was Faculty Advisor at Golden Gate University for the telecommunications education curriculum. He has served on the boards of Resdel Engineering, Electronics Conventions, Inc., WESCON, ClearSight Networks, and is currently on the board of directors for Empowered Networks in Toronto, Canada and de Anza Country Club in Borrego Springs, CA.

February 16, 2011  
The Lorch Project

In 1990 the District Engineer Lin Burzell negotiated a pipeline easement across two sides of Mr. Lorch's property. The agreement made a provision for a free water service connection but the owner was informed that they would have to annex into the District for service. This pipeline was necessary for the well ID1-16 to 800 reservoir system. At the December 2010 Board Meeting, direction was given to the legal counsel to draft the necessary paperwork for the annexation procedure. The environmental, Board resolution and application documents are now complete. At that time it was unknown that the San Diego County Local Agency Formation Commission (LAFCO) will charge the property owner \$4050.00 in fees. The property owner has requested that the District pay this fee but it is not in the 2010-2011 budget. The property easement is of value to the District and actually needs to be expanded to accommodate the proposed well ID1-16 to the Wilcox Reservoir pipeline.

## BORREGO WATER DISTRICT

### POLICY STATEMENT

---

**SUBJECT:** DIRECTORS AND OFFICERS RESPONSIBILITIES AND LIMITATIONS

**NO:** 2003-5-1

**ADOPTED:** MAY 28, 2003

**AMENDED:** January 12, 2011

---

### PURPOSE

The Board of Directors of the Borrego Water District has asked that a policy be prepared identifying the specific responsibilities of Board members and officers so that their actions do not violate the law, acceptable practices of water agency boards or the liability protection of the agency's insurance provider.

### POLICY

#### 1) **Responsibilities of the Board of Directors**

The Borrego Water District Administrative Code (Bylaws) identify the responsibilities of the Board of Directors as the following:

##### a) **Oversee Professionals and Personnel:**

- i) Oversee the selection, direction, compensation and removal of individuals that work directly for the Board including General Manager, Legal Counsel and Auditor. In addition to the foregoing enumerated professionals, the Board, at its discretion and in compliance with all applicable laws, may hire any professional it deems appropriate to further the affairs of the District.
- ii) Approve the selection, contracts and compensation for continuing consultants that work under the direction of the General Manager.
  - (1) At its discretion, the Board may elect to receive a presentation by a professional being considered for hire by the general manager to discuss in a public forum the proposed scope of work prior to a contract for outside professional services being approved by the board or the general manager, including, but not limited to, extension of a contract to retain a professional already hired by the District.
  - (2) The Board, at its discretion, may appoint a committee of the Board as liaison with outside professionals doing work for the District, or with the principal investigator for study grants awarded to the District, in order to

provide necessary oversight and ensure the concerns of the Board are adequately met by such work product.

(3) The Board, at its discretion, may request consultants hired by the District to present their findings in person directly to the Board prior to making a decision of material consequence to the District that might be influenced by such findings.

(4) Notwithstanding the foregoing, nothing in this Policy or any unwritten “understanding” of the Board shall abridge a Director’s right to request relevant information from any source including professionals hired by or under consideration for hire by the District.

iii) Approve all permanent positions in the District including the compensation and conditions of employment both when created and in the annual budget.

**b) Adopt Rules and Regulations:**

Adopt rules and regulations for the conduct of District, consistent with the laws and policies of the State of California and the accepted practices of public agencies, to protect and conserve the resources of the District and assure the delivery of the services for which the District is responsible.

**c) Establish Requirements for Service:**

Establish the standards with which the customers of the District must comply in order to qualify to receive the services of the District.

**d) Conduct Business in Public Meetings**

Meet on a regular basis in conformance with the Brown Act to conduct the business of the District.

**e) Manage the Funds of the District**

Adopt an annual budget and act as trustee of the funds of the District, overseeing such funds and expenditures in order to meet the financial obligations of the District. Set aside sufficient funds to meet emergencies and provide funds for replacement of District facilities and equipment. Oversee the investment of the District’s funds in approved programs to best advantage of the District.

**f) Serve as Board and District Officers**

Serving as officers of the Board (President and Vice President) or as officers of the District (Secretary and Treasurer). Secretary and Treasurer are combined into one position in the Borrego Water District and the daily responsibilities are assigned to staff.

**2) Additional Responsibilities**

Additional Responsibilities of Directors, not specified in the Administrative Code, but common to public agencies include:

**a) Serve on Board Committees**

Serving on ad hoc and continuing committees appointed by the Board to report back with recommendations for Board action. Examples are the annual capital improvement budget committee and the operation's budget committee. Board committees cannot assume ministerial functions, but they can review staff operations and report back to the board for action.

**b) Serve as Conduits for Public Input and Information**

Serving as conduits for public input and education about issues or decision of the board. In doing so directors must be careful to identify whether they are expressing their individual opinions or those of the Board.

Nothing in this Policy shall abridge or in any way limit the Board's full access to information deemed necessary by Board members to conduct adequate and sufficient due diligence regarding decisions affecting the District.

**3) Responsibilities and Duties of Board Officers**

**a) President**

STATE CODE PROVISIONS: The Borrego Water District is organized under the state water code provisions for a California Water District. The water code does not specify the duties other than to state that the president of a California Water District serves as "*President of the Board*". That means that the person is the managing officer for the affairs of the Board, but not the District.

BWD CODE PROVISIONS: The Borrego Water District Administrative Code identifies the duties and responsibilities of the President as:

*The President of the Board of Directors shall act as chairman of the Board, presiding over the meetings of the Board and exercising such powers assigned to the office by law, by provisions of this Code or by other members of the Board.*

**ADDITIONAL RESPONSIBILITIES ASSIGNED BY THIS POLICY:**

- Review the draft agenda for meetings.
- Call special meetings of the board. (a majority of Board can also call special meetings)
- Conduct all meetings of the board.
- Create ad hoc committees and assign Directors to them only with majority Board approval except in emergency situations or time-

sensitive matters requiring action prior to the next scheduled board meeting.

- Nominate, for approval by the board, membership on standing committees.
- Monitor the work of ad hoc and standing committee so that they report back to the board in the established time frames.
- Sign the approved minutes of meetings, adopted resolutions and ordinances and such contracts and other documents as determined by the board.
- Approve district purchase orders above certain amounts and sign checks above certain amounts as directed by the Board or identified in adopted policies.
- Work with the general manager and/or legal counsel on any matter regarding the conduct of the board or its members.
- Act as the spokesperson for the board and the district as determined by the board.
- Serve on the committee to recommend the annual operations budget.
- Monitor the work of the professionals the board hires or assign this responsibility to another board member, and to coordinate, as appropriate, board access to the professionals it hires.

**b) Vice President**

STATE CODE PROVISIONS: The responsibilities of the vice president are not identified in the California Water Code.

BWD CODE PROVISIONS: *The Vice President shall, in the absence of the President, perform the duties and exercise the powers of the President.*

**c) Secretary/Treasurer**

STATE CODE PROVISIONS: The California Water Codes specifies that these two positions have “district” obligations. That is, that they are not just responsible for records and finances of the Board, but of the District. The Code also gives the board the right to combine the positions and to assign any of the responsibilities to staff.

BWD CODE PROVISIONS: *The Secretary of the District shall be responsible for the maintenance and management of the records of the District and shall certify as to the actions taken by the Board at its meetings. Subject to the Board’s approval, the secretary may delegate the day to day duties of the office to one or more Assistant Secretaries*

**AND**

*The Treasure shall be responsible for the financial transactions of the District, assuring that the funds of the District are kept in a secure place and that accurate records are kept of their receipt and disbursements.*

*The Treasurer shall provide the Board with an account of all the financial transactions of the District whenever requested and not less frequently than annually. The day-to-day duties of the Treasurer may be delegated to one or more Assistant Treasurers or, in the event the offices of Secretary and Treasurer are combined, to one or more Assistant Secretaries.*

Note: Although in the Borrego Water District, the position of Secretary and Treasure are combined, the General Manager serves as the Assistant Secretary and the Finance Officer as the Assistant Treasurer. Also, day to day duties are assigned to staff. Nevertheless, at the discretion of the individual holding the office, the Treasurer may wish to review the weekly payments of the District.

**ADDITIONAL RESPONSIBILITIES ASSIGNED TO THE OFFICE OF SECRETARY/TREASURER BY THIS POLICY:**

- Review the draft minutes of meetings before they are presented to the Board for approval
- Sign official documents of the Board or District as directed by the Board including resolutions, ordinances and certain contracts.
- Approve purchase orders of certain amounts and sign checks of certain amounts as directed by the Board or as specified in other policies.
- Serve with the President on the committee to recommend an annual operation's budget.
- Adjoins meetings to a future time when the President and VP are absent.

## D U E D I L I G E N C E C O M M I T T E E R E P O R T

**Analysis & Results:** To date, the Due Diligence Committee (DDC) has met four times to discuss due diligence issues related to the district's present strategy to address the overdraft and for some of the transactions the previous board and GM approved within a few weeks of the new board assuming office.

With respect to due diligence regarding transactions the previous board and GM approved within a few weeks of the new board assuming office: the DDC has reviewed the Viking Ranch, Cocopah and Cameron Brothers lease transaction files that were provided to us by staff.

What the DDC was seeking were: any written independent appraisals of the value of the land that is being purchased, any written analyses of the business case for doing these transactions, any written appraisals of the value of water credits created in the transaction, any written plan for recovering the cost of the transaction to the district. For Viking also, percolation tests that affirm this parcel is optimal for recharging the basin. The committee wishes to report to the board that, to date, it has not yet found due diligence related to these material decisions. That does not mean this material does not exist, only that we have not yet located it.

The present district strategy to address the overdraft that includes: USGS Basin numerical model; BoR regional supply study; Clark Lake pipeline study work, and purchasing land for fallowing to create water credits for resale to developers. In its due diligence to date, The DDC believes that the USGS study and BoR study are useful strategic initiatives, with some modifications. However, the DDC has not found what it considers adequate business case analyses for two aspects of the present strategy: constructing a pipeline from Clark Lake and purchasing land for fallowing to create water credits for later resale to developers.

### **Recommendations to Board:**

1) That the board formally adopt a new strategy to address the overdraft that is solidly based on California water law and that includes the following objectives:

- ☉ Return the district to fiscal stability and creditworthiness. Without fiscal soundness, no strategy of the district to address the overdraft can be successfully implemented;
- ☉ Sort through the various legal options for establishing the rights to withdraw water and the duties of pumpers of the basin when the basin is in overdraft and develop the economic costs to ratepayers for each practicable option for reaching sustainability for the basin;
- ☉ Perform the necessary legal, policy, and economic work that has not yet been completed to determine how the District's water credits program may be used to facilitate the County's Development Mitigation Requirements and to implement development impact fees for the

## D U E D I L I G E N C E C O M M I T T E E R E P O R T

purposes facilitating development in the Valley without placing the District's at undue financial risk;

- ☉ Work more closely with the USGS study team and the BoR study team to ensure that the public concerns with both of these study projects are adequately addressed and that the reports resulting from these studies are useful documents both for board decision-making and for informing the public of the important issues each of these studies address;
- ☉ To ask the question whether the investigation of Clark Lake as a water source should move forward now or later or at all.

2) The board has already acted to return the district to fiscal stability and creditworthiness by approving work by the District's auditors, approving a motion to hire a financial advisor, and DDC-initiated work with staff on cash flow projections and analysis. Presently, the DDC believes that it may need the district's auditors to develop separate balance sheets for water and for sewer, and to assist in establishing a policy for how G&A is allocated to these services for the financial modeling and rate development work the board has authorized for the district.

3) The DDC, based on its due diligence to date, requests that the board approve a budget of \$\_\_\_\_\_ for the PAC to retain advisors from its approved advisor list from its RFQ for the purposes of: (a) sorting through the various legal options for establishing the rights of pumpers to withdraw water and (b) performing the necessary legal, policy, and economic work that has not yet been completed to determine how the District's water credits program should proceed;

4) The DDC, based on its due diligence to date, requests that the board authorize a USGS Citizen's Advisory Committee to meet with the USGS prior to the March 30th Town Hall meeting, and thereafter as necessary, to ensure that the public concerns with this study project are adequately addressed. The DDC wishes to nominate for this Committee: Jack Laughlin, John Peterson, Jim Rickard, and Mark Jorgensen, who have volunteered to serve on this Committee;

5) The DDC, based on its due diligence to date, requests that the board approve the PAC to retain John Peterson to develop a brief regarding the decision to move forward, defer to a future date, or stop entirely the inclusion of Clark Lake aquifer pipeline element of a strategic plan to address the overdraft. There is no additional budget requirement for this line item beyond what the board has already authorized the PAC to spend;

6) The DDC requests that the board authorize the DDC to prepare drafts of two handouts for the March 30th Town Hall meeting for the board's review and approval: (a) describing the overdraft strategy of the district; (b) describing the financial situation of the district.

# STATEMENT OF AGREEMENT FOR THE USE OF A FACILITY FOR STORAGE OF MASS CARE SUPPLIES

This agreement is made and entered into between the **Borrego Water District**, State of California, and the San Diego/Imperial Counties Chapter of the American National Red Cross (Red Cross), collectively "the Parties".

## Recitals

Pursuant to the terms of federal statutes, the Red Cross provides emergency services on behalf of individuals and families who are victims of disaster.

The **Borrego Water District** is authorized to permit the Red Cross to use District buildings and grounds for the storage of mass care shelter supplies required in the conduct of Red Cross disaster services activities, and wishes to cooperate with the Red Cross for such purposes.

The Parties hereto mutually desire to reach an understanding that will result in making the aforesaid facilities of the **Borrego Water District** available to the Red Cross for the aforesaid use.

Now, therefore, it is mutually agreed between the Parties as follows:

1. The **Borrego Water District** agrees that, after meeting its responsibilities to its clients/stakeholders, it will permit, to the extent of its ability and upon request by the Red Cross, access to its physical facilities and grounds by the Red Cross or its designated representatives for the storage and retrieval of Red Cross disaster equipment or supplies.
2. The **Borrego Water District** agrees that supplies within the storage container will only be used with the permission of the Red Cross. In the case of a catastrophic disaster, the **Borrego Water District** may access the shelter supplies within the storage container prior to notification of the Red Cross.
3. The American Red Cross will be responsible for insuring that its equipment and supplies are properly secured while on the grounds of the **Borrego Water District**. The Red Cross will perform regular inspections of said equipment/supplies for the purposes of maintenance and inventory control. Said inspections will be performed with prior notice to and agreement of the **Borrego Water District**.

4. The Red Cross agrees that it shall use reasonable care in the conduct of its activities in such facilities and further agrees to replace or reimburse the **Borrego Water District** for any foods or supplies that may be used by the Red Cross in the conduct of its disaster relief activities.
5. The American Red Cross agrees that it shall exercise reasonable care in the conduct of its activities in such facilities and further agrees to replace, repair or reimburse the **Borrego Water District** for any damages caused by the American Red Cross and/or its clients during the Red Cross' use of the facility.
6. NO AGENCY/WORKERS' COMPENSATION. Neither party shall have authority, express or implied, under this agreement to act on behalf of the other party as an agent, or to bind the other party to any obligation whatsoever. Pursuant to Labor Code section 1861, the Parties hereby certify that they are aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the Parties will comply with such provisions, and provide certification of such compliance as part of this Agreement.

7. LIABILITY INSURANCE.

- 7.1 Red Cross shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of Red Cross, its agents and employees, performed in connection with this Agreement.
- 7.2 Red Cross shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance  
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$1,000,000
General Aggregate	\$2,000,000

Commercial General Liability Insurance  
(bodily injury and property damage)

General limit per occurrence	\$1,000,000
------------------------------	-------------

General limit project specific aggregate	\$2,000,000
<u>Automobile Liability Insurance</u>	\$1,000,000

\*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of Red Cross under this Agreement.

- 7.3 If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the Red Cross to restore the required limits. The Red Cross shall also notify the **Borrego Water District** Project Manager promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the Red Cross resulting from any of the Red Cross' work.
- 7.4 All insurance companies affording coverage to the Red Cross for the purposes of this Section shall add the **Borrego Water District** as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the **Borrego Water District**, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.
- 7.5 All insurance companies affording coverage to the Red Cross pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.
- 7.6 All insurance companies affording coverage shall provide thirty (30) days written notice to the District should the policy be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 7.7 Red Cross shall provide evidence of compliance with the insurance requirements listed above by providing a Certificate of Insurance and applicable endorsements, in a form satisfactory to the District, concurrently with the submittal of this Agreement.
8. Notwithstanding any other agreements, the San Diego/Imperial Counties Chapter of the American National Red Cross agrees to defend, hold harmless, and indemnify the **Borrego Water District**, its officers, agents and employees against any legal liability in respect to bodily injury, death,

or property damage arising from the conduct of said chapter, its employees, agents or representatives during use of the property belonging to the **Borrego Water District**.

9. The Red Cross and the **Borrego Water District** agree to provide each other, and update yearly, the point of contact information with each other by providing written notice, hand delivered or mailed by registered or certified United States mail or a recognized overnight mail courier, to the parties hereto at their respective address set forth below, or at such other address of which either party shall notify the other in accordance with the provisions hereof.

TO: American Red Cross  
San Diego/Imperial Counties Chapter  
3950 Calle Fortunada  
San Diego, Ca 92123  
Attn: Disaster Response Dept.

TO: **Borrego Water District**  
P.O. Box 1870  
806 Palm Canyon Drive  
Borrego Springs, CA 92004  
Attn: Operations Manager

10. Termination of this agreement can be initiated by either signing agency at any time and for any reason. Termination occurs 30 days after receipt of written notice.

In witness thereof, the **Borrego Water District** has caused this agreement to be executed, and the American Red Cross has caused this agreement to be executed by the San Diego/Imperial Counties Chapter, said agreement to become effective and operative upon the fixing of the last signature hereto.

Signatures to the Agreement:

\_\_\_\_\_  
Director, Disaster Services  
American Red Cross  
San Diego/Imperial Counties Chapter

Date \_\_\_\_\_

  
\_\_\_\_\_  
Operations Manager  
Borrego Water District  
Borrego Springs, CA

Date 1/27/11

RECONCILIATION SUMMARY 2008-2011

Capital Project Costs	2008	2009	2010	2011
1 Water Conservation		79,362.80	84,538.45	
2 Sustainable Water		177,714.09	202,874.23	142,416.74
3 New Developments Engineering				23,832.56
4 Water Distribution		2,895.00		
5 New Production Wells		12,796.96	230,364.98	16,912.00
6 New storage		31,871.34	46,412.17	437,852.91
7 Sewer system improvements		15,770.17		
8 Vehicles and rolling stock				8,453.75
9 Building structures				25,384.00
10 Office, Adm, Rate		111,689.45	172,208.90	70,000.00
11 Ground Water Mngmt				
12 Grants and Loans		432,099.81	736,398.73	724,851.96
<b>TOTAL</b>				
<b>Fallowing Costs</b>	743,115.00	0.00	71,599.99	150,000.00
<b>Expensed assets</b>		170,227.50	54,681.76	
<b>Fixed Assets</b>	255,113.23	671,199.41	1,214,012.54	0.00
<b>GRAND TOTAL</b>	998,228.23	1,273,526.72	2,076,693.02	874,851.96
<b>Beginning cash FYE 2008</b>	5,992,599.00			
Cash spent 2008	998,228.23			
Cash spent 2009	1,273,526.72			
Cash spent 2010	2,076,693.02			
Cash spent 2011	874,851.96			
<b>FYE 2008 Cash Less Capital Expenses 08-11</b>	769,299.07			
<b>Cash on 12/31/2010</b>	764,991.00			
Remainder				-4,308.07

SUMMARY CAPITAL EXPENDITURES FYE 2008		2008	staff cost	total				
	Capital Project Costs	cash expense						
1711	Water Conservation							
1712	Sustainable Water							
1716	New storage							
1717	Sewer system improvements							
1719	Building structures							
1721	Office, Adm, Rate							
1722	Ground Water Mngment							
2760	Grants and Loans							
	<b>TOTAL</b>	0.00	0.00	0.00				
	<b>Fallowing Costs</b>							
	Monica purchase	743,115.00						
	<b>TOTAL</b>							
	<b>Fixed Assets</b>							
	2007 GMC 2500 HD	27415.87			TOTALS			TOTAL
	2008 GMC Canyon	17,237.81			CAP PROJECTS	0.00	0.00	0.00
	1999 Ford F 800 2000 Gal Water Truck	29,002.24			FALLOWING	743,115.00		0.00
	2008 GMC Yukon SUV	34390.27			FIXED ASSETS	255113.23		0.00
	New Motor-Station 2 booster	5,781.04				998,228.23	0.00	0.00
	Modification of Well 11	79,838.59						
	Well #4 2 starters	7,139.38						
	Well #16-80' column and tube assembly	15,438.87						
	HP 9000-data stream	32,887.76						
	Grundomat, 75P tool	5,981.40						
	<b>TOTAL</b>	255113.23						



SUMMARY CAPITAL EXPENDITURES FYE 2010

	2010		
Capital Project Costs	cash expense	staff cost	total
1711 Water Conservation	84,538.45	68,749.73	153,288.18
1712 Sustainable Water	202,874.23	158,198.15	361,072.38
1713 New Developments Engineering		128,333.41	128,333.41
1714 Water Distribution		119,456.93	119,456.93
1715 New Production Wells		22,917.00	22,917.00
1716 New storage	230,364.98	24,378.99	254,743.97
1717 Sewer system improvements	46,412.17	28,416.54	74,828.71
1719 Building structures		45,777.00	45,777.00
1721 Office, Adm, Rate		9,166.70	9,166.70
1722 Ground Water Mngmt	172,208.90	28,854.04	201,062.94
12 Grants and Loans		30,350.85	30,350.85
<b>TOTAL</b>	<b>736,398.73</b>	<b>664,599.34</b>	<b>1,400,998.07</b>
<b>Following Costs</b>			
Mallard Investments	70,000.00		
Legal fees	1,599.00		
<b>TOTAL</b>	<b>71,599.00</b>		
<b>Expensed this year</b>			
<b>TOTAL</b>	<b>54,681.76</b>		
<b>Fixed Assets</b>			
2009 Jeep Liberty	30,000.00		
Purchase Well #12 Montesoro	477,518.00		
Level control, Montesoro	28,301.93		
Goulds submersible pump id1-2	16,894.30		
Wiring for emergency generator	38,686.24		
Rehab Well 101-10	51,661.69		
Adjust/Repair Manhole covers on Palm Cany	41,903.40		
Guardian Iron Fence w/oate booster #3	5,186.00		
Rehab Well 10 4-4	25,428.49		
Repaving of Valve Clusters	8,184.96		
Church Lane Pipeline Project	53,823.45		
Verbenal/Cloudy Moon IBS pipe project	8,943.97		
Cia-Valve Repair Well 10-5 5	44,472.90		
Ineoersoll Rand C185 Air Compressor	15,324.25		
Sewage Comminutor	12,070.15		
Refurbish Hydrogritter	6,288.75		
Monitor Well @ wwtp 101	7,595.37		
Replace bearings @ oxidation ditch	8,292.00		
Shade Structure WWTP	5,019.55		
1500 Gal diesel Storage Tank	5,283.24		
Replacement of 5 well houses	6,137.00		
Stirrup Road Property	52,814.42		
Construction of office in Maintenance Building	237,535.17		
<b>TOTAL</b>	<b>1,214,012.54</b>		

TOTALS	CASH	LABOR	TOTAL
CAP PROJECTS	736,398.73	664,599.34	1,400,998.07
FOLLOWING	71,599.00		71,599.00
EXPENSED	54,681.76		
FIXED ASSETS	1,214,012.54		1,214,012.54
<b>TOTAL</b>	<b>2,076,692.03</b>	<b>664,599.34</b>	<b>2,686,609.61</b>

SUMMARY CAPITAL EXPENDITURES FYE 2011				2011	
	Capital Project Costs	cash expense	staff cost	total	
1712	Sustainable Water	142,416.74	23,414.16	165,830.90	
1714	Water Distribution	23,832.56	0.00	23,832.56	
1716	New storage	16,912.00	0.00	16,912.00	
1717	Sewer	437,852.91			
1721	Office, Adm, Rate	8,453.75	0.00	8,453.75	
1722	Ground Water Mngment	25,384.00	15,278.00	40,662.00	
2760	Montesoro Well 12	70,000.00		70,000.00	
	<b>TOTAL</b>	<b>724,851.96</b>	<b>38,692.16</b>	<b>763,544.12</b>	
	<b>Fallowing Costs</b>				
	Cocopah Nursery	150,000.00			
	<b>TOTAL</b>	<b>150,000.00</b>			
	<b>Fixed Assets</b>				
	NONE				
	<b>TOTALS</b>	<b>CASH</b>	<b>LABOR</b>	<b>TOTAL</b>	
	CAP PROJECTS	724,851.96	38,692.16	763,544.12	
	FALLOWING	150,000.00		0.00	
	FIXED ASSETS	0.00		0.00	
		<b>874,851.96</b>	<b>38,692.16</b>	<b>913,544.12</b>	



# BORREGO WATER DISTRICT

January 2011

## WATER OPERATIONS REPORT

<u>WELL</u>	<u>TYPE</u>	<u>FLOW RATE</u>	<u>STATUS</u>	<u>COMMENT</u>
ID1-1	Irrigation	150	Standby	Backup well for Rams Hill Golf Course
ID1-2	Irrigation	150	Standby	Backup well for Rams Hill Golf Course
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	950	In Use	
ID1-16	Production	950	In Use	
Wilcox	Production	150	In Use	Diesel backup well for ID-4
ID4-4	Production	350	In Use	
ID4-10	Production	80	In Use	
ID4-11	Production	1000	In Use	Diesel engine drive exercised monthly
ID4-18	Production	250	In Use	
ID5-5	Production	900	In Use	Diesel engine drive exercised monthly

**System Problems:** None.

## WASTEWATER OPERATIONS REPORT

**Rams Hill Water Reclamation Plant serving ID-1 & ID-2 Total Cap. 0.25 MGD (million gallons per day):**

**Average flow:** 61,351 (gallons per day)

**Peak flow:** 67,926 gpd Sunday January 23rd

**BSPCSD Reclamation Plant serving ID-5, Total Capacity 0.1 MGD:**

**Average flow:** 2,316 gpd

**Peak flow:** 3,187 gpd Saturday January 1st

**All restaurant grease traps were clean.**

**System Problems:** None.

## WATER PRODUCTION SUMMARY January 2011

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
Jan '10	62.59	10.45	92.41	8.76	174.21
-----	-----	-----	-----	-----	-----
Feb '10	24.30	6.12	81.33	3.11	114.86
Mar '10	52.71	7.99	83.50	12.17	156.37
Apr '10	91.08	9.86	112.32	15.57	228.83
May '10	110.36	11.40	115.81	13.76	251.33
Jun '10	63.20	15.06	146.00	19.80	244.06
Jul '10	65.10	15.07	131.48	19.91	231.56
Aug '10	79.88	17.50	163.65	21.90	282.93
Sep '10	82.96	21.12	163.18	22.01	289.27
Oct '10	65.95	13.47	146.34	9.03	234.79
Nov '10	138.01	11.14	100.44	16.60	266.19
Dec '10	103.41	11.68	130.03	10.98	256.10
Jan '11	39.57	8.20	73.97	5.16	126.90
<b>12 Mo. TOTAL</b>	<b>916.53</b>	<b>148.61</b>	<b>1448.05</b>	<b>170.00</b>	<b>2683.19</b>

*Totals reflect individual improvement district usage. Interties from ID-3 and ID-5 have been subtracted from well pumpage totals and applied to respective ID's. All figures in Acre Feet of water pumped or recorded on intertie meters.*

## WATER LOSS SUMMARY (%)

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE AVERAGE
Jan '11	4.11	2.07	1.14	N/A	2.44
<b>12 Mo. Average</b>	<b>1.42</b>	<b>2.95</b>	<b>11.47</b>	<b>N/A</b>	<b>5.28</b>

BORREGO WATER DISTRICT  
 Water Production / Use Records  
 ID # 1  
 Month of January 2011

----- Water Production (Acre Feet) -----								
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====
JAN'10	0.00	0.00	0.02	16.86	43.30	12.86	73.04	62.59
FEB'10	0.00	0.00	0.10	6.70	15.17	8.45	30.42	24.30
MAR'10	0.00	0.00	0.00	18.41	25.15	17.14	60.70	52.71
APR'10	0.00	0.00	0.00	29.41	27.77	43.76	100.94	91.08
MAY'10	0.00	0.00	0.06	31.01	30.51	60.18	121.76	110.36
JUN'10	0.00	0.00	5.94	18.97	12.68	40.67	78.26	63.20
JUL'10	0.55	0.79	0.00	6.77	42.96	29.10	80.17	65.10
AUG'10	0.00	0.00	4.43	7.34	42.89	42.72	97.38	79.88
SEP'10	0.00	0.00	0.03	13.12	52.24	38.69	104.08	82.96
OCT'10	0.00	0.00	17.06	10.48	16.20	35.68	79.42	65.95
NOV'10	10.53	12.70	16.83	14.81	43.96	50.32	149.15	138.01
DEC'10	0.00	0.00	0.00	21.85	33.05	60.19	115.09	103.41
JAN'11	0.93	1.18	0.00	21.04	22.62	2.00	47.77	39.57
TOTALS	12.01	14.67	44.45	199.91	365.20	428.90	1065.14	916.53
=====	=====	=====	=====	=====	=====	=====	=====	=====

----- Water Use (Acre Feet) -----									
Date	Domestic	Irrigat'n	Constrt'n	Golf			Total	Water	
				Course	ID 3	ID 4		Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JAN'10	8.40	10.51	0.00	41.15	10.45	0.00	70.51	2.53	3.46%
FEB'10	5.91	3.55	0.00	9.80	6.12	0.00	25.38	5.04	16.55%
MAR'10	7.96	5.70	0.00	38.92	7.99	0.00	60.57	0.13	0.21%
APR'10	10.63	9.48	0.00	72.96	9.86	0.00	102.93	-1.99	-1.98%
MAY'10	11.01	11.63	0.00	87.58	11.40	0.00	121.62	0.14	0.11%
JUN'10	11.69	12.88	0.00	43.63	15.06	0.00	83.26	-5.00	-6.41%
JUL'10	14.12	15.33	0.00	30.68	15.07	0.00	75.20	4.97	6.20%
AUG'10	14.10	16.81	0.00	41.49	17.50	0.00	89.90	7.48	7.68%
SEP'10	15.99	22.21	0.00	43.61	21.12	0.00	102.93	1.15	1.09%
OCT'10	11.71	19.42	0.00	37.57	13.47	0.00	82.17	-2.75	-3.45%
NOV'10	11.66	14.23	0.00	108.88	11.14	0.00	145.91	3.24	2.17%
DEC'10	11.73	14.14	0.00	76.70	11.68	0.00	114.25	0.84	0.74%
JAN'11	6.86	6.46	0.00	24.30	8.20	0.00	45.82	1.95	4.11%
TOTALS	133.37	151.84	0.00	616.12	148.61	0.00	1049.94	15.20	1.42%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

BORREGO WATER DISTRICT  
 Water Production / Use Records  
 ID # 3  
 Month of January 2011

Date	La Casa del Zorro Total Acre Feet		Deep Well Trail / Others Acre Feet			Total Irrigat'n	Total Domestic	Total Acre Feet
	Irrigat'n	Domestic	Irrigat'n	Domestic	Total			
JAN'10	0.00	0.70	1.05	8.39	9.44	1.05	9.09	10.14
FEB'10	0.00	0.68	0.62	4.47	5.09	0.62	5.15	5.77
MAR'10	0.00	0.62	0.28	6.78	7.06	0.28	7.40	7.68
APR'10	0.00	0.73	0.50	8.41	8.91	0.50	9.14	9.64
MAY'10	0.00	0.66	1.51	8.98	10.49	1.51	9.64	11.15
JUN'10	0.00	0.71	1.52	12.37	13.89	1.52	13.08	14.60
JUL'10	0.00	0.72	1.10	12.06	13.16	1.10	12.78	13.88
AUG'10	0.00	0.70	1.36	15.90	17.26	1.36	16.60	17.96
SEP'10	0.00	0.79	2.27	17.33	19.60	2.27	18.12	20.39
OCT'10	0.00	0.67	1.18	11.19	12.37	1.18	11.86	13.04
NOV'10	0.00	0.69	1.02	8.91	9.93	1.02	9.60	10.62
DEC'10	0.00	0.71	1.93	8.82	10.75	1.93	9.53	11.46
JAN'11	0.00	0.67	0.66	6.70	7.36	0.66	7.37	8.03
TOTALS	0.00	8.35	13.95	121.92	135.87	13.95	130.27	144.22

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
JAN'10	10.45	10.14	0.31	2.97%
FEB'10	6.12	5.77	0.35	5.72%
MAR'10	7.99	7.68	0.31	3.88%
APR'10	9.86	9.64	0.22	2.23%
MAY'10	11.40	11.15	0.25	2.19%
JUN'10	15.06	14.60	0.46	3.05%
JUL'10	15.07	13.88	1.19	7.90%
AUG'10	17.50	17.96	-0.46	-2.63%
SEP'10	21.12	20.39	0.73	3.46%
OCT'10	13.47	13.04	0.43	3.19%
NOV'10	11.14	10.62	0.52	4.67%
DEC'10	11.68	11.46	0.22	1.88%
JAN'11	8.20	8.03	0.17	2.07%
TOTALS	148.61	144.22	4.39	2.95%

BORREGO WATER DISTRICT  
 Water Production / Use Records  
 ID # 4  
 Month of January 2011

----- Water Production (Acre Feet) -----											
Date	Well 2	Well 3	Well 4	Well 5	Well 10	Well 11	Well 18	Wilcox	Well 85	Total	Less ID5
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JAN'10	9.66	0.00	0.02	0.00	8.55	78.91	3.87	0.16	0.00	101.17	92.41
-----											
FEB'10	8.31	0.00	7.96	0.00	2.74	63.20	2.04	0.19	0.00	84.44	81.33
MAR'10	6.00	0.00	52.70	0.00	0.01	30.89	5.95	0.12	0.00	95.67	83.50
APR'10	2.87	0.00	54.78	0.00	7.20	59.00	4.03	0.01	0.00	127.89	112.32
MAY'10	0.00	0.00	56.29	0.00	11.56	57.81	3.91	0.00	0.00	129.57	115.81
JUN'10	0.00	0.00	63.32	0.00	13.09	84.13	4.91	0.35	0.00	165.80	146.00
JUL'10	0.00	0.00	55.30	0.00	11.14	80.01	4.41	0.53	0.00	151.39	131.48
AUG'10	0.00	0.00	57.67	37.97	11.38	72.06	4.90	1.57	0.00	185.55	163.65
SEP'10	0.00	0.00	62.96	27.26	12.16	77.84	4.97	0.00	0.00	185.19	163.18
OCT'10	0.00	0.00	56.41	17.80	10.82	65.75	4.50	0.09	0.00	155.37	146.34
NOV'10	0.00	0.00	53.64	23.36	0.00	36.08	3.56	0.40	0.00	117.04	100.44
DEC'10	0.00	0.00	63.71	13.91	23.03	29.06	11.24	0.06	0.00	141.01	130.03
JAN'11	0.00	0.00	4.11	5.74	10.47	56.25	2.56	0.00	0.00	79.13	73.97
-----											
TOTALS	17.18	0.00	588.85	126.04	113.60	712.08	56.98	3.32	0.00	1618.05	1448.05
=====											

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
=====	=====	=====	=====	=====	=====
JAN'10	101.17	83.72	17.45	17.25%	8.76
-----					
FEB'10	84.44	68.51	15.93	18.87%	3.11
MAR'10	95.67	86.43	9.24	9.66%	12.17
APR'10	127.89	113.19	14.70	11.49%	15.57
MAY'10	129.57	115.12	14.45	11.15%	13.76
JUN'10	165.80	148.84	16.96	10.23%	19.80
JUL'10	151.39	144.67	6.72	4.44%	19.91
AUG'10	185.55	158.42	27.13	14.62%	21.90
SEP'10	185.19	163.88	21.31	11.51%	22.01
OCT'10	155.37	137.26	18.11	11.66%	9.03
NOV'10	117.04	112.46	4.58	3.91%	16.60
DEC'10	141.01	105.42	35.59	25.24%	10.98
JAN'11	79.13	78.23	0.90	1.14%	5.16
-----					
TOTALS	1618.05	1432.43	185.62	11.47%	170.00
=====					



# BORREGO WATER DISTRICT

## Treasurer's Report January, 2011

Bank Balance	Carrying Value	Fair Value	% of Portfolio		Rate of Interest	Maturity Date	Valuation Source
			Current Actual	Imposed Limit			

### Cash and Cash Equivalents:

Demand Accounts at Borrego Springs Bank/WFB

General Account/Petty Cash	\$ 131,310	\$ 7,583	\$ 7,583	1.00%	n/a	0.00%	n/a	BSB/WFB
SA #1 Account	\$ 140,566	\$ 105,379	\$ 105,379	13.88%	n/a	0.05%	n/a	WFB
SA #3 Account	\$ 28,742	\$ 14,922	\$ 14,922	1.97%	n/a	0.05%	n/a	WFB
SA #4 Account	\$ 205,096	\$ 164,551	\$ 164,551	21.68%	n/a	0.05%	n/a	WFB
SA #5 Account	\$ 46,519	\$ 29,831	\$ 29,831	3.93%	n/a	0.05%	n/a	WFB
Payroll Account	\$ 56,507	\$ 53,089	\$ 53,089	6.99%	n/a	0.05%	n/a	WFB
CC GOLF	\$ 9,908	\$ 8,719	\$ 8,719	1.15%	n/a	0.05%	n/a	WFB
LAIF	\$ 20,686	\$ 20,686	\$ 20,686	2.73%	n/a	0.50%	n/a	LAIF
CD Investment Portfolio	\$ 254,278	\$ 254,278	\$ 254,278	33.50%	n/a	0.01%	n/a	WFB
MMA	\$ 100,024	\$ 100,024	\$ 100,024	13.18%	n/a	0.45%	n/a	WFB
<b>Total Cash and Cash Equivalents</b>	<b>\$ 993,637</b>	<b>\$ 759,062</b>	<b>\$ 759,062</b>	<b>100.00%</b>				

### Facilities District No. 2007-1

First American Treas Obligation -US BANK	287,151	287,151	287,151
<b>Total Cash,Cash Equivalents &amp; Investments</b>	<b>\$ 1,280,788</b>	<b>\$ 1,046,213</b>	<b>\$ 1,046,213</b>

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on July 28, 2010. Cash, investments and future cash flows are sufficient to meet the needs of the District for the next six months. Sources of valuations are Borrego Springs Bank (BSB), Wells Fargo Bank (WFB), LAIF and US Trust Bank.

Kim Pitman, Administration Manager



# BORREGO WATER DISTRICT

To: BWD Board of Directors

From: Kim Pitman

Subject: Consideration of the Disbursements and Claims Paid  
Month Ending - January, 2011

---

<b>I.</b>	<b>A. Vendor disbursements paid during this period:</b>	<b>\$</b>	<b><u>186,057.34</u></b>																				
	<u>Significant items:</u>																						
	1 Utilities	\$	30,972.11																				
	2 CalPERS Payments-includes employee withholding portion	\$	17,190.58																				
	3 Employee Health Benefits	\$	15,771.72																				
	<b>B. Capital Projects Outlays (included in vendor disbursements paid above):</b>																						
	Brian Polley Land Surveying-Clark Lake	\$	8,245.00																				
	MSA Consulting - Lift Station	\$	12,331.20																				
	TC Construction - Lift Station	\$	4,994.10																				
	Glenn Reiter & Assoc. - Availability/Standby charge study	\$	3,912.50																				
	Hidden Valley Pump-Repair Breaker on Panel of Lift Station	\$	22,993.01																				
	<b>C. Payroll for this Period:</b>	<b>\$</b>	<b><u>75,543.91</u></b>																				
	<b>D. Total Professional Services for this Period (included in vendor disbursements paid above):</b>																						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 35%; border: none;">Stradling, Yocca, Carlson &amp; Rauth:</td> <td style="width: 35%; border: none;">Deposit Account-Mesquite Trails</td> <td style="width: 10%; text-align: right; border: none;">\$</td> <td style="width: 20%; text-align: right; border: none;">1,025.00</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;">Board Meeting Expense</td> <td style="text-align: right; border: none;">\$</td> <td style="text-align: right; border: none;">5,565.00</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;">Misc. legal</td> <td style="text-align: right; border: none;">\$</td> <td style="text-align: right; border: none;">1,658.67</td> </tr> <tr> <td style="border: none;"></td> <td style="text-align: center; border: none;"><b>Total Invoice</b></td> <td style="text-align: right; border: none;"><b>\$</b></td> <td style="text-align: right; border: none;"><b><u>8,248.67</u></b></td> </tr> <tr> <td style="border: none; padding-top: 10px;">William R. Mills</td> <td style="border: none; padding-top: 10px;">Professional Services-IRWMP/Stag Grant</td> <td style="text-align: right; border: none; padding-top: 10px;">\$</td> <td style="text-align: right; border: none; padding-top: 10px;"><b><u>9,000.00</u></b></td> </tr> </table>	Stradling, Yocca, Carlson & Rauth:	Deposit Account-Mesquite Trails	\$	1,025.00		Board Meeting Expense	\$	5,565.00		Misc. legal	\$	1,658.67		<b>Total Invoice</b>	<b>\$</b>	<b><u>8,248.67</u></b>	William R. Mills	Professional Services-IRWMP/Stag Grant	\$	<b><u>9,000.00</u></b>		
Stradling, Yocca, Carlson & Rauth:	Deposit Account-Mesquite Trails	\$	1,025.00																				
	Board Meeting Expense	\$	5,565.00																				
	Misc. legal	\$	1,658.67																				
	<b>Total Invoice</b>	<b>\$</b>	<b><u>8,248.67</u></b>																				
William R. Mills	Professional Services-IRWMP/Stag Grant	\$	<b><u>9,000.00</u></b>																				
	<b>E. Adjustments:</b>																						
	<b>F. Total Cash Outlays:</b>	<b>\$</b>	<b><u>261,601.25</u></b>																				
<b>II.</b>	<b>Revenues this Period:</b>																						
	A. O & M	\$	221,902.00																				
	B. Capital	\$	-																				
	<b>C. Total Revenues received this Period:</b>	<b>\$</b>	<b><u>221,902.00</u></b>																				
<b>III.</b>	<b>Net Cash Revenue/(Expense):</b>	<b>\$</b>	<b><u>(39,699.25)</u></b>																				

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JANUARY 31, 2011

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
16814	01/28/11	ABILITY ANSWERING/PAGING SER ANSWERING & PAGING FOR DECEMBER 2010	196.83
16815	01/28/11	ACWA JOINT POWER INS AUTHORITY WORKER'S COMP PERIOD 10/01/10-12/31/10	5,787.00
16816	01/28/11	ACWA HEALTH BENEFITS AUTHORITY EMPLOYEE BENEFIT HEALTH INSURANCE	15,771.72
16817	02/08/11	* VOID *	
16783	01/28/11	ADT QTRLY SECURITY BILLING 02/02/11-04/30/11	145.52
16857	02/14/11	ADT QTRLY SECURITY CHARGE 01/28/11-04/30/11 JOB: #1573738602	24.81
16784	01/28/11	AFLAC EMPLOYEE PAID HEALTH INSURANCE	587.84
16785	01/28/11	AIR POLLUTION APPLICATION FOR EQUIPMENT AT:3700 BORREGO SPRINGS RD	2,551.00
16858	02/14/11	ALLIED WASTE SERVICES #467 3-0467-0007554 3155 HONOR COURT BASIC SERVICE 3-0467-0017715 2990 BORREGO VALLEY ROAD BASIC SERVICE 3-0467-0701728 4861 BORREGO SPRINGS ROAD 2475 STIRRUP RD BASIC SERVICE	2,772.27
16859	02/14/11	AMERICAN BACKFLOW SPECIALTIES INVENTORY CONTROL	1,071.24
16818	02/08/11	AMERICAN LINEN INC. UNIFORMS FOR CREW	496.65
16819	02/08/11	AT CONFERENCE CONFERENCE IRWMP PARTICIPANTS	4.26
16786	01/28/11	AT&T MONTHLY SERVICE 01/07/11-02/06/11	31.43
16820	02/08/11	AT&T MONTHLY SERVICE 12/22/10-01/22/11	548.53
16787	01/28/11	AT&T Long Distance MONTHLY SERVICE	

BORREGO WATER DISTRICT  
FOR BOARD CONSIDERATION AND APPROVAL  
JANUARY 31, 2011

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
16821	02/08/11	DECEMBER 2010 AT&T MOBILITY MONTHLY SERVICE FOR CELL PHONES	53.07 473.60
16822	02/08/11	BAY CITY ELECTRIC WORKS CHANGE ORDER ON GENERATOR FOR SEWER LIFT STATION	1,494.75
16823	02/08/11	BINGHAM EQUIPMENT CO. PARTS FOR OLD 580 CASE TRACTOR	194.50
16824	02/08/11	BORREGO SPRINGS BOTTLED WATER BOTTLED WATER FOR DISTRICT OFFICES	75.95
16788	01/28/11	BORREGO SUN MONTHLY BILLING ONE PAGE ADVERTISING	50.00
16825	02/08/11	BORREGO SUN MONTHLY ADVERTISING	91.00
16826	02/08/11	BRIAN POLLEY LAND SURVEYING, IC PROFESSIONAL FEE FOR CLARK LAKE JOB#: 91600	8,245.00
16827	02/08/11	CONSOLIDATED ELECTRICAL DIST FUSES TO BE USED AT WELL INSTALLATIONS	281.94
16828	02/08/11	SUNSET ELECTRIC POWER CLA VALVE REPAIR R-TANK CLA VALVE REPAIR ID-1 RAMS HILL RESERVOIR	3,249.21
16789	01/28/11	CORRPRO COMPANIES ANNUAL MAINT FOR DISTRICTS STEEL RESERVOIR	575.00
16829	02/08/11	COSINE REAL ESTATE REFUND ACCT# 0628301	72.05
16790	01/28/11	COUNTY OF SAN DIEGO EXCAVATION PERMITS	1,240.32
16791	01/28/11	D-TEK ANALYTICAL LABS, INC. SAMPLES FOR TESTING	187.00
16830	02/08/11	DATASTREAM BUSINESS SOLUTIONS, YE 1099 LASER TAX FORMS FOR VENDORS 2010	63.69
16792	01/28/11	DAVID TAUSSIG & ASSOCIATES, INC CONSULTING SERVICE FOR VARIOUS LEVIES	261.76
16793	01/28/11	DE ANZA READY MIX MATERIALS & LOAD REPAIR ID4	240.72
16831	02/08/11	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICES	

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JANUARY 31, 2011

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
16832	02/08/11	FOR DETAILS DEBBIE MORETTI	207.60
16833	02/08/11	PEST CONTROL ALL SCHEDULED AREAS	145.00
16794	01/28/11	DESERT ELECTRIC INSTALL NEW POWER CABLE ID-2	1,133.77
16834	02/08/11	DESERT TIRE CENTER TIRE REPAIR TREATMENT PLANT VEHICLE FORD F150 LICENSE #1252048 BASIC SERVICE	81.21
16860	02/14/11	DESERT TIRE CENTER 2006 GMC 2500 LICENSE#1133969 NEW TIRES	1,175.59
16835	02/08/11	DESERT TIRE CENTER GMC2500 LICENSE#1251968 BASIC SERVICE TIRE REPAIR	64.95
16795	01/28/11	E. S. BABCOCK & SONS, INC. WATER SAMPLES FROM ALL WELLS	1,125.00
16796	01/28/11	EARTH SYSTEMS SOUTHWEST PREFESSIONAL FEES FOR LIFT STATION AND PIPELINE WORK	1,495.00
16797	01/28/11	ECO LAYERS 3 MONTH HOSTING FOR IRWMP	1,200.00
16798	01/28/11	FED EX OVERNIGHT SHIPPING	66.20
16836	02/08/11	FP MAILING SOLUTIONS POSTAGE MACHINE RENTAL INSTALLMENT 01/01/11-03/31/11	120.55
16799	01/28/11	GLENN M. REITER & ASSOCIATES AVAILABILITY/ STANDBY CHARGE STUDY	3,912.50
16837	02/08/11	HIDDEN VALLEY PUMP SYSTEMS INC SERVICE CALL LIFTSTATION REPAIR BREAKER ON PANEL REWIND WELL ID1-16 MOTOR. FAILED AFTER RAINSTORM.	22,993.01
16838	02/08/11	HIGH TECH IRRIGATION, INC. IRRIGATION CONTROLER FOR CLUB CIRCLE GOLF	147.82
		HOME DEPOT CREDIT SERVICES	

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JANUARY 31, 2011

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		SEE INVOICES FOR DETAILS	191.41
16839	02/08/11	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICES FOR DETAILS	
		SEE INVOICES FOR DETAILS	2,275.73
16840	02/08/11	INTERSTATE BATTERY OF YUMA ID-5 WELL BATTERIES	163.02
16841	02/08/11	JOE'S PAVING CO.INC. STREET REPAIR PATCH ON FLYING U RD. ID-4	650.00
16800	01/28/11	KENNY STRICKLAND, INC. FUEL FOR CREW TRUCKS	2,517.10
16842	02/08/11	KENNY STRICKLAND, INC. FUEL FOR CREW TRUCKS	1,922.73
16801	01/28/11	KONICA MINOLTA KONICA COPIER INSTALLMENT PERIOD:12/25/10-01/24/11	1,337.21
16861	02/14/11	KONICA MINOLTA KONICA COPIER INSTALLMENT PERIOD:01/25/11-02/24/11	1,453.97
16843	02/08/11	MARITA HOOPER WINDOW WASHING DISTRICT OFFICE & MAINT. OFFICE	100.00
16844	02/08/11	McCALLS METERS, INC 4" METER FOR BILL WRIGHT	2,107.58
16802	01/28/11	MSA CONSULTING, INC. PROFESSIONAL FEES ORIGINAL LIFT STATION CONTRACT WORK	4,750.00
16845	02/08/11	MSA CONSULTING, INC. PROFESSIONAL FEES SEWER LIFT STATION PROFESSIONAL FEES SEWER LIFT STATION PROFESSIONAL FEES SEWER LIFT STATION	7,581.20
16846	02/08/11	NAPA AUTO PARTS INC SEE INVOICES FOR DETAILS	190.76
16803	01/28/11	PACIFIC PIPELINE SUPPLY INC INVENTORY CONTROL PARTS & FITTINGS FOR MONTEZUMA JOB PIPELINE REPLACEMENT	3,353.98
16847	02/08/11	PACIFIC PIPELINE SUPPLY INC INVENTORY CONTROL INVENTORY CONTROL INVENTORY CONTROL INVENTORY CONTROL	2,474.14

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JANUARY 31, 2011

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
16862	02/14/11	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE BENEFITS 01/01/11-01/15/11 EMPLOYEE BENEFITS 01/16/11-01/31/11	17,190.58
16804	01/28/11	QUILL CORPORATION OFFICE SUPPLIES SEE INVOICE FOR DETAILS OFFICE SUPPLIES SEE INVOICE FOR DETAILS OFFICE SUPPLIES SEE INVOICE FOR DETAILS OFFICE SUPPLIES SEE INVOICE FOR DETAILS OFFICE SUPPLIES SEE INVOICE FOR DETAILS	373.01
16848	02/08/11	QUILL CORPORATION OFFICE SUPPLIES	58.86
16805	01/28/11	RECORDER/COUNTY CLERK'S OFFICE RELEASE OF LIEN: DANA JACKSON 06-3482-1	13.00
16849	02/08/11	ROGELIO MARTINEZ REIMBURSE FOR PART PICKED UP BY ROY	78.50
16806	01/28/11	SAN DIEGO GAS & ELECTRIC 2739 568 786 5 2990 BORREGO VALLEY RD PACKAGE PLANT 6160 624 622 9 951 RANGO WAY ID1-16 1614 548 936 7 W CLUB CIRCLE S CLUB CIRCLE GOLF 3607 425 233 9 2990 BORREGO VALLEY RD TC LIFT STATION 4785 979 020 3 3003 LOFTER DR ID5-5 6114 522 473 7 3352 BORREGO VALLEY RD ID1-12 6114 527 629 9 TILTING T DR CLUB CIRCLE GOLF 9525 627 944 5 2989 BORREGO VALLEY RD	

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JANUARY 31, 2011

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		PACKAGE PLANT	
		1614 196 067 6	
		4275 YAQUI PASS RD	
		BOOSTER STATION 2	
		1614 489 405 4	
		5037 BORREGO SPRINGS RD	
		ID1-8	
		2739 492 349 3	
		4861 BORREGO SPRINGS RD	
		TREATMENT PLANT	
		3864 202 758 1	
		2510 RAMS HILL DR	
		BOOSTER STATION 1	
		3864 691 264 8	
		2947 BORREGO VALLEY RD	
		LIFT STATION	
		8364 482 055 9	
		5073 BORREGO SPRINGS RD	
		ID1-1	
		9489 482 054 6	
		5065 BORREGO SPRINGS RD	
		ID1-2	
		4240 011 405 2	
		301 SLASH M RD	
		COUNTRY CLUB TANK	
		5035 410 733 7	
		3528 COUNTRY CLUB RD	
		ID4-10	
		7285 625 351 8	
		4201 BORREGO SPRINGS RD	
		ID1-10	
		2700 523 335 7	
		806 PALM CANYON DR	
		OFFICE/MAINT SHOP	
		6954 509 423 8	
		STIRRUP RD E	
		OLD SHOP	
		6159 441 279 1	
		2473 STIRRUP RD	
		LUGO BLDG.	
		2881 512 118 8	
		1111 INDIAN HEAD RANCH RD	
		ID4-18	
		3909 503 745 7	
		1775 BORREGO SPRINGS RD	
		ID4-4	
		9489 482 054 6	
		5065 BORREGO SPRINGS RD	
		ID1-2	
		6114 522 473 7	
		3352 BORREGO VALLEY RD	
		ID1-12	
16850	02/08/11	SAN DIEGO GAS & ELECTRIC	25,579.78
		3607 425 233 9	

BORREGO WATER DISTRICT  
FOR BOARD CONSIDERATION AND APPROVAL  
JANUARY 31, 2011

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		2990 BORREGO VALLEY RD TC LIFT STATION ID-5 9534 569 937 1 2201 DIEGUENO RD ID4-11	5,313.83
16863	02/14/11	SHANK AND KRETZ INC WELDING TANK RENTAL 013111	76.50
16807	01/28/11	SLUDGEBUSTERS INC. TOWN SEWER EMERGENCY LINE PLUGGED, NEEDED TO CLEAR IMMEDIATELY	1,487.50
16851	02/08/11	SMALL EQUIPMENT CENTER CARBURATOR REPAIR & EVALUATION	242.41
16852	02/08/11	DEPT. 56 - 0000059040 OFFICE SUPPLIES SEE INVOICES FOR DETAILS	575.27
16853	02/08/11	STRADLING, YOCCA, CARLSON, RAUTH PROFESSIONAL FEES MESQUITE TRAILS BOARD MEETING MISC. LEGAL EXP.	8,248.67
16808	01/28/11	SWRCB-OFFICE OF TREATMENT PLANT OPERATOR EXAM FEE CODY COX	100.00
16809	01/28/11	T.S. INDUSTRIAL SUPPLY SAFETY GLOVES FOR USE AT TREATMENT PLANT	77.65
16810	01/28/11	TC CONSTRUCTION COMPANY INSTALLMENT ON LIFT STATION CONTRACT	4,994.10
16811	01/28/11	TROY DEPRIEST REIMBURSE OF EDUCATION EXPENSE. BOOKS, TUITION AND PARKING	223.99
16854	02/08/11	TROY DEPRIEST MILEAGE REIMBURSE FOR PERSONAL VEHICLE USE	171.50
16812	01/28/11	VERIZON WIRELESS CELL PHONES FOR EMERGENCY USE DURING POWER OUTAGES 12/02/10-01/01/11	83.87
16855	02/08/11	WENDY QUINN RECORDING SECRETARY SERVICES/JANUARY 2011	360.00
16813	01/28/11	WEST GROUP PAYMENT CTR. SUBSCRIPTION RENEWAL 12/05/10-01/01/11	

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JANUARY 31, 2011

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
<hr style="border-top: 1px dashed black;"/>			
16856	02/08/11	BILLING PERIOD WILLIAM R. MILLS & ASSOC PROFESSIONAL FEES RELATED TO IRWM AND STAG GRANT	32.63
			9,000.00
		TOTAL	----- 186,057.34 =====

**BORREGO WATER DISTRICT**  
**Income Budget to Actual Comparisons**  
**FYE 2011**

Description	Current Budget FYE 2011	Beginning Balance 01/01/11	Monthly Activity January	Actual as of 01/31/11	Actual vs Budget FYE 2011
-------------	----------------------------	-------------------------------	-----------------------------	--------------------------	------------------------------

**WATER REVENUE**

Residential Water Sales	855,000	270,550	29,066	302,752	35.41%
Commercial Water Sales	108,500	55,718	8,874	61,457	56.64%
Irrigation Water Sales	140,000	55,365	3,460	58,825	42.02%
GWM Surcharge	108,000	52,653	4,552	57,205	52.97%
Water Sales Power Portion	321,000	154,871	13,335	168,206	52.40%
Readiness Charges Water	640,000	318,112	52,958	371,070	57.98%
Meter Installation	30,000	44,860	5,840	50,700	169.00%
Reconnect Fees	6,000	5,440	-	5,440	90.67%
Backflow Testing	6,000	1,657	1,685	3,342	55.69%
Water Bulk/pfmp	1,500	912	-	912	60.77%
Penalty&Interest Water Collection	25,000	13,221	1,995	15,216	60.86%
<b>Total Water Revenue:</b>	<b>2,241,000</b>	<b>973,360</b>	<b>121,764</b>	<b>1,095,124</b>	<b>48.87%</b>

**AVAILABILITY CHARGES**

641500 1% Property Assessments	36,000	29,783	9,108	38,891	0
SA 1 Water/Sewer/Flood control 6415-02	158,000	6,647	9,191	15,838	10.02%
Water Availability Standby-Admin 6415-01	87,000	27,024	25,507	52,531	60.38%
SA 3 Water Standby Fee 6415-04	30,000	4,628	4,009	8,637	28.79%
Pest Control Standby fees	18,000	3,571	5,437	9,008	50.04%
Penalty & Interest-Availability Charges	2,000	1,000	-	1,000	50.00%
<b>Total Availability Charges:</b>	<b>331,000</b>	<b>72,653</b>	<b>53,251</b>	<b>125,904</b>	<b>38.04%</b>

**SEWER SERVICE CHARGES**

TCS Holders Fees	180,000	90,128	15,012	105,140	58.41%
TCS Users Fees	30,000	16,410	3,000	19,410	64.70%
SA #5 Sewer Fees	131,000	66,999	10,229	77,228	58.95%
SA #1 Sewer Fees	54,000	27,409	4,542	31,951	59.17%
Sewer Penalty & Interest Charges	-	1,357	57	1,414	0.00%
Sewer Hook-UP Fees	1,000	-	-	-	0.00%
Inspection fees	500	-	-	-	0.00%
Capacity Fees	3,500	2,138	-	2,138	61.10%
<b>Total Sewer Service Charges:</b>	<b>400,000</b>	<b>204,442</b>	<b>32,840</b>	<b>237,281</b>	<b>59.32%</b>

**PARK/GOLF INCOME**

CSD Fees-(Trash & Golf)	92,406	48,446	8,108	56,553	61.20%
Golf receipts	27,594	5,996	5,181	11,177	40.51%
<b>Total Park/Golf Income:</b>	<b>120,000</b>	<b>54,442</b>	<b>13,289</b>	<b>67,730</b>	<b>56.44%</b>

**OTHER INCOME**

Rent Income San Diego County	7,584	3,792	632	4,424	58.33%
Plan Review Fee/Will Serve Commitments	12,000	-	-	-	0.00%
Annexation fees	-	500	-	500	0.00%
Water Credits Administration Fee	50,000	-	-	-	0.00%
Fire Hydrant Installation	-	-	-	-	0.00%
Miscellaneous Income	15,000	8,068	45	8,113	54.08%
Gain on Asset Sold	2,000	-	-	-	0.00%
<b>Total Other Income:</b>	<b>86,584</b>	<b>12,360</b>	<b>677</b>	<b>13,037</b>	<b>15.06%</b>

**INTEREST INCOME**

Interest Income LAIF	500	27	24	50	10.08%
Interest Income Other	10,000	2,146	57	2,203	22.03%
<b>Total Interest Income:</b>	<b>10,500</b>	<b>2,173</b>	<b>81</b>	<b>2,253</b>	<b>21.46%</b>

<b>Total Income:</b>	<b>3,189,084</b>	<b>1,319,428</b>	<b>221,902</b>	<b>1,541,330</b>	<b>48.33%</b>
----------------------	------------------	------------------	----------------	------------------	---------------

**BORREGO WATER DISTRICT**  
**Expense Budget to Actual Comparison**  
**FYE 2011**

DESCRIPTION	Current Budget FYE 2011	Beginning Balance 01/01/11	Monthly Activity January	Actual as of 01/31/11	Actual vs Budget FYE 2011
-------------	----------------------------	-------------------------------	-----------------------------	--------------------------	------------------------------

**MAINTENANCE EXPENSE**

Maintenance & Repairs Buildings & Equipment	65,000	30,637	3,779	34,417	52.95%
Maintenance & Repairs/Wells,Pipelines,Pumps/WWTP	30,000	10,053	5,597	15,650	52.17%
Collection System Maintenance	5,000	-	242	242	4.85%
Reservoir Maintenance	7,500	2,185	575	2,760	36.80%
Water System Maintenance	25,000	19,315	241	19,556	78.22%
Well/Pump Repairs & Maintenance	25,000	6,648	3,249	9,898	39.59%
Equipment Rental	5,000	459	77	536	10.71%
Telemetry Services	20,000	10,000	991	10,991	54.96%
Trash Removal	30,000	19,919	2,772	22,691	75.64%
Vehicle Expense	15,000	13,125	1,562	14,687	97.91%
<b>Total Maintenance Expense:</b>	<b>227,500</b>	<b>112,342</b>	<b>19,086</b>	<b>131,428</b>	<b>57.77%</b>

**PROFESSIONAL SERVICES EXPENSE**

Accounting	5,000	2,199	262	2,461	49.22%
Administrative Services	4,000	1,872	473	2,345	58.62%
Audit Fees	35,000	20,900	-	20,900	59.71%
Computer Billing	33,000	13,241	405	13,646	41.35%
Engineering	1,000	-	-	-	0.00%
Legal Services	24,000	16,965	1,659	18,624	77.60%
Testing/Labwork	22,000	7,818	925	8,743	39.74%
<b>Total Professional Services Expense:</b>	<b>124,000</b>	<b>62,996</b>	<b>3,724</b>	<b>66,719</b>	<b>53.81%</b>

**INSURANCE EXPENSE**

Insurance	75,000	37,629	6,271	43,900	58.53%
Workmens Comp	24,000	12,000	-	12,000	50.00%
<b>Total Insurance Expense:</b>	<b>99,000</b>	<b>49,629</b>	<b>6,271</b>	<b>55,900</b>	<b>56.46%</b>

**PERSONNEL EXPENSE**

Mileage Reimbursement/Auto Allowance	1,800	1,160	172	1,331	73.94%
Board Meeting Expense	41,000	40,063	7,426	47,488	115.83%
Salaries & Wages	1,104,223	625,731	75,544	701,275	63.51%
Salaries & Wages off set account		(45,968)	(3,327)	(49,295)	0.00%
Accrued Sick/Vacation	26,000	13,000	-	13,000	50.00%
Taxes on Payroll	36,000	11,181	5,341	16,523	45.90%
Medical Insurance Benefits	282,004	115,315	33,799	149,113	52.88%
Calpers Retirement Benefits	217,996	105,392	14,557	119,949	55.02%
<b>Total Personnel Expense:</b>	<b>1,709,023</b>	<b>865,873</b>	<b>133,511</b>	<b>999,384</b>	<b>58.48%</b>

**OFFICE EXPENSE**

Equipment Rental	8,000	4,434	1,516	5,951	74.38%
Office Supplies	30,000	10,924	1,291	12,216	40.72%
Office Equipment	20,000	7,162	-	7,162	35.81%
Office Utilities	13,000	7,607	973	8,580	66.00%
Maintenance Agreements	16,000	6,321	1,396	7,717	48.23%
Postage & Freight	13,000	6,375	142	6,517	50.13%
Taxes on Property	3,000	2,290	-	2,290	76.35%
Answering Service	2,500	1,471	197	1,668	66.72%
Telephone	7,000	5,114	637	5,752	82.17%
<b>Total Office Expense:</b>	<b>112,500</b>	<b>51,700</b>	<b>6,153</b>	<b>57,853</b>	<b>51.42%</b>

**BORREGO WATER DISTRICT**  
**Expense Budget to Actual Comparison**  
**FYE 2011**

DESCRIPTION	Current Budget FYE 2011	Beginning Balance 01/01/11	Monthly Activity January	Actual as of 01/31/11	Actual vs Budget FYE 2011
-------------	-------------------------------	----------------------------------	--------------------------------	-----------------------------	---------------------------------

**UTILITIES EXPENSE**

Pumping-Electricity	500,000	198,861	30,165	229,026	45.81%
Cellular Phone	11,000	4,685	557	5,242	47.66%
<b>Total Utilities Expense:</b>	<b>511,000</b>	<b>203,546</b>	<b>30,723</b>	<b>234,268</b>	<b>45.85%</b>

**DEPRECIATION EXPENSE**

Depreciation Expense	600,000	302,547	50,424	352,971	58.83%
<b>Total Depreciation Expense:</b>	<b>600,000</b>	<b>302,547</b>	<b>50,424</b>	<b>352,971</b>	<b>58.83%</b>

**OTHER EXPENSE**

Amortization Expense	16,491	8,246	1,374	9,620	58.34%
Interest Expense-COP 2008	125,000	62,438	10,406	72,844	58.28%
Bad Debt Expense	5,000	677	227	904	18.08%
Conferences & Conventions	15,000	18,243	28	18,271	121.81%
Training	8,500	1,395	224	1,618	19.04%
Contract Labor	15,000	7,739	-	7,739	51.59%
Dues & Subscriptions	10,000	4,087	33	4,120	41.20%
Regulatory Permit Fees	60,000	36,883	3,891	40,775	67.96%
Bank Fees	500	74	5	79	15.70%
Community Relations	1,000	260	-	260	26.00%
Fuel & Oil	54,000	25,472	4,464	29,936	55.44%
Other Expense	5,000	5,684	13	5,697	113.93%
Safety Requirements	10,000	3,470	78	3,548	35.48%
Printing, Publications & Notices	5,000	871	141	1,012	20.24%
Uniforms	8,500	3,001	497	3,498	41.15%
Administrative Allocation		438,634	-	438,634	0.00%
Contingency Fund	83,561	5,495	-	5,495	6.58%
<b>Total Other Expense:</b>	<b>422,552</b>	<b>622,669</b>	<b>21,380</b>	<b>644,049</b>	<b>152.42%</b>
<b>Total Expenses:</b>	<b>3,805,575</b>	<b>2,271,300</b>	<b>271,272</b>	<b>2,542,572</b>	<b>66.81%</b>
<b>Add Back in Non Cash Expenses:</b>	<b>616,491</b>	<b>327,453</b>	<b>54,743</b>	<b>382,196</b>	<b>62.00%</b>
<b>Total Budgeted vs Capital Expenditures:</b>	<b>986,000</b>	<b>696,341</b>	<b>64,414</b>	<b>760,754</b>	<b>77.16%</b>
<b>Total Budgeted vs Total Cash Expenditures:</b>	<b>3,189,084</b>	<b>1,902,413</b>	<b>261,601</b>	<b>2,164,014</b>	<b>67.86%</b>
<b>Total Budgeted vs Income:</b>	<b>4,175,084</b>	<b>1,319,428</b>	<b>221,902</b>	<b>1,541,330</b>	<b>36.92%</b>
<b>Net Income/(Expense):</b>		<b>(582,984)</b>	<b>(39,700)</b>	<b>(622,684)</b>	



# BORREGO WATER DISTRICT

**BALANCE SHEET**  
**January 31, 2011**  
(unaudited)

**BALANCE SHEET**  
**December 31, 2010**  
(unaudited)

**ASSETS:**

**CURRENT ASSETS**

Cash and cash equivalents	\$	759,062.28	\$	764,990.62
Accounts receivable from water sales and sewer charges	\$	261,971.50	\$	402,289.36
Interest receivable	\$	-	\$	-
Inventory	\$	138,654.77	\$	140,069.85
Availability charges receivable	\$	418,839.34	\$	472,091.01
Prepaid expenses	\$	58,922.67	\$	65,194.11
Other Receivables	\$	23,604.02	\$	23,604.02
<b>TOTAL CURRENT ASSETS</b>	<b>\$</b>	<b>1,661,054.58</b>	<b>\$</b>	<b>1,868,238.97</b>

**RESTRICTED ASSETS**

Debt Service:				
Deferred amount of COP Refunding	\$	166,735.37	\$	167,569.05
Unamortized bond issue costs	\$	114,621.25	\$	115,161.91
Total Debt service	\$	281,356.62	\$	282,730.96
Trust fund:				
Investments with fiscal agent -CFD 2007-1	\$	287,151.00	\$	271,049.48
Total Trust fund	\$	287,151.00	\$	271,049.48
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$</b>	<b>568,507.62</b>	<b>\$</b>	<b>553,780.44</b>

**UTILITY PLANT IN SERVICE**

Land	\$	2,159,682.90	\$	2,159,682.90
Flood Control Facilities	\$	4,319,603.58	\$	4,319,603.58
Capital Improvement Projects	\$	2,076,149.93	\$	2,029,380.83
Sewer Facilities	\$	5,574,650.73	\$	5,574,650.73
Water facilities	\$	8,910,239.95	\$	8,910,239.95
Pipelines, wells and tanks	\$	1,944,815.75	\$	1,922,497.74
General facilities	\$	1,009,059.92	\$	1,009,059.92
Equipment and furniture	\$	376,263.30	\$	376,263.30
Vehicles	\$	471,545.28	\$	471,545.28
Accumulated depreciation	\$	(9,756,473.17)	\$	(9,706,048.72)
<b>NET UTILITY PLANT IN SERVICE</b>	<b>\$</b>	<b>17,085,538.17</b>	<b>\$</b>	<b>17,066,875.51</b>

**OTHER ASSETS**

Water rights -ID4	\$	185,000.00	\$	185,000.00
<b>TOTAL OTHER ASSETS</b>	<b>\$</b>	<b>185,000.00</b>	<b>\$</b>	<b>185,000.00</b>

<b>TOTAL ASSETS</b>	<b>\$</b>	<b>19,500,100.37</b>	<b>\$</b>	<b>19,673,894.92</b>
---------------------	-----------	----------------------	-----------	----------------------

	<b>BALANCE SHEET</b> <b>January 31, 2011</b> <i>(unaudited)</i>	<b>BALANCE SHEET</b> <b>December 31, 2010</b> <i>(unaudited)</i>
<b>LIABILITIES:</b>		
<b><i>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</i></b>		
Accounts Payable	\$ -	\$ -
Accrued expenses	\$ 236,901.97	\$ 231,256.93
Deferred Revenue	\$ 182,329.10	\$ 217,329.10
Deposits	\$ 34,927.50	\$ 36,088.00
	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>	<b>\$ 454,158.57</b>	<b>\$ 484,674.03</b>
<b><i>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</i></b>		
Debt Service:		
Accounts Payable to CFD 2007-1	\$ 287,151.00	\$ 271,049.48
	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 287,151.00</b>	<b>\$ 271,049.48</b>
<b><i>LONG TERM LIABILITIES</i></b>		
2008 Certificates of participation(payable from restricted assets)	\$ 2,775,000.00	\$ 2,775,000.00
Montesoro Note Payable	\$ 540,123.13	\$ 540,123.13
	<hr/>	<hr/>
<b>TOTAL LONG TERM LIABILITIES</b>	<b>\$ 3,315,123.13</b>	<b>\$ 3,315,123.13</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 4,056,432.70</b>	<b>\$ 4,070,846.64</b>
<b><i>FUND EQUITY</i></b>		
Contributed equity	\$ 9,649,544.17	\$ 9,649,544.17
Retained Earnings:		
Reserve for debt service	\$ 1,654,086.69	\$ 1,654,086.69
Reserve for sewer expansion	\$ 97,304.00	\$ 97,304.00
Designated for replacement,improvement and expansion	\$ 2,016,068.16	\$ 2,016,068.16
Reserve for New Reservoirs	\$ 2,027,414.65	\$ 2,186,045.26
	<hr/>	<hr/>
Total retained earnings	\$ 5,794,873.50	\$ 5,953,504.11
	<hr/>	<hr/>
<b>TOTAL FUND EQUITY</b>	<b>\$ 15,444,417.67</b>	<b>\$ 15,603,048.28</b>
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 19,500,850.37</b>	<b>\$ 19,673,894.92</b>
	<hr/> <hr/>	<hr/> <hr/>