

Borrego Water District Board of Directors
SPECIAL MEETING AGENDA
May 17, 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. Comments from Directors and Requests for Future Agenda Items
- F. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)

II. CURRENT BUSINESS MATTERS

- A. Presentation regarding proposed rates
- B. Review and possible approval of Capital Improvement Projects for FY2012 (page 2-7)
- C. Review and possible action regarding *Resolution 2011-05-01* that delineates the process for counting protest votes. ***RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ADOPTING PROCEDURES FOR INCREASING WATER AND SEWER SERVICE CHARGES UNDER PROPOSITION 218*** (page 8-11)
- D. Discussion of public outreach regarding rate increase.
- E. Q&A regarding rate increase and June 22nd hearing.

III. CLOSED SESSION

- A. Conference with Real Property Negotiators pursuant to Gov't Code section 54956.8
 - Property: 199-080-21
 - Agency negotiators: Lee Estep, Eleanor Shimeall, and Jerry Rolwing
 - Negotiating party: Jack Cameron
 - Under negotiation: price and terms
- B. Conference with Real Property Negotiators pursuant to Gov't Code section 54956.8
 - Property: 140-030-03, 140-030-05
 - Agency negotiators: Lee Estep, Beth Hart and Jerry Rolwing
 - Negotiating parties: Lance Lundberg
 - Under negotiation: price and terms
- C. Conference with Legal Counsel pursuant to 54956.9(b) and (c) regarding Anticipated Litigation and/or Initiation of Litigation (one case)

IV. CLOSING PROCEDURE

Adjournment The next Regular Meeting of the Board of Directors is scheduled for May 25, 2011 at the Borrego Water District.



CIVIL ENGINEERING - LAND SURVEYING - CONSTRUCTION MANAGEMENT

2/21/2011

Jerry Rolwing
Interim General Manager and Operations Manager
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

Mr. Rolwing:

I have reviewed the proposed Capital Improvement Program for the next ten years and concur that the projects identified in the schedule are the most pressing physical infrastructure needs of the District at this time. The estimated costs (in 2011 dollars) of these improvements are reasonable for planning purposes.

If you have any questions please contact me.

Regards,

David Dale, PE, PLS
Contract Engineer

M E M O R A N D U M

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
Wells, Booster Stations, Reservoirs and Associated Transmission Mains												
Wilcox Reservoir, 2.0 MG	1a	District-wide Storage							\$ 1,300,000			
Wilcox Related Transmission Mains:									\$ 2,000,000			
Wilcox booster Station/Forebay	1b	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	
Wastewater Plant												
Catchment berm along north and northeast side of property	1	Containment	\$ 5,000									
Pressure Reducing Stations												
ID4, Reducing Sta. design and installation	1	Study and resolve pressure issues	\$ 25,000									
ID4, Reducing Sta. design and installation	2	Study and resolve pressure issues						\$ 25,000				
ID5, Reducing Sta. design and installation, Borrego Valley Rd.	3	Connection to ID-1 system										
Pipelines												
Borrego Springs Rd, Weatherlane Dr. to Barrel Dr.	1a	No pipeline, reduce system pressure	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	6 Yr	7 Yr	8 Yr	9 Yr	10 Yr
Borrego Springs Rd, Walling H Dr. to Tilting T Dr.	1b	No pipeline, reduce system pressure			\$ 112,500							
Borrego Springs Rd, Tilting T Dr. to Country Club Rd. Second half	1c	No pipeline, reduce system pressure				\$ 162,750						
Borrego Springs Rd, Christmas Circle to Diamond Bar Dr.	1e	No pipeline, reduce system pressure						\$ 135,000				
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								\$ 118,500		
Borrego Springs Rd, Upgrade 6" to 10" Country Club Rd. to San Pablo Rd.	1h	Undersized pipeline									\$ 61,650	\$ 165,000
Borrego Springs Rd, Upgrade 8" to 10" 660' north of Weatherlane Dr.	1i	Undersized pipeline										\$ 49,500
Bending Elbow Rd. First half	2	Weakest existing pipeline		\$ 108,000								
Bending Elbow Rd. Second half	3	Weakest existing pipeline		\$ 102,000								
Double O	4	3" main, limited fire flow cap.				\$ 102,000						
Fairway Lane	5	Old line, questionable taps					\$ 180,000					
Club Circle East	7	Replace old mains						\$ 36,000		\$ 105,000		
Club Circle West	8	Replace old mains									\$ 150,000	
Borrego Valley Rd. South of Tilting T	9	Loop ID-105 east side										\$ 75,000
De Anza Dr. 1600 block	10	Replace old mains										
Other Infrastructure												
Fire Hydrant Replacements		Reason	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	6 Yr	7 Yr	8 Yr	9 Yr	10 Yr
			\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
TOTAL - CAPITAL IMPROVEMENTS PROGRAM												
			\$ 17,000	\$ 145,000	\$ 226,500	\$ 276,750	\$ 334,500	\$ 208,000	\$ 3,895,000	\$ 635,500	\$ 623,650	\$ 1,501,500
TOTAL - SHORT LIVED ASSETS (FROM SHEET 2)												
			\$ 285,000	\$ 200,000	\$ 135,000	\$ 164,000	\$ 252,500	\$ 185,000	\$ 158,000	\$ 167,000	\$ 231,000	\$ 173,500
Total CIP and Short Lived Assets												
			\$ 302,000	\$ 345,000	\$ 361,500	\$ 440,750	\$ 567,000	\$ 393,000	\$ 4,053,000	\$ 797,500	\$ 854,650	\$ 1,675,000

	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
Wells										
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										
ID4-4, 150 Hp, rewind motor in yr 3, pump and casing cleaning in yr 8			\$ 10,000					\$ 50,000		\$ 10,000
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 v	\$ 60,000	\$ 15,000								
ID4-18, 100 Hp, rewind motor in yr 3, pump and casing cleaning in yr 7			\$ 8,000				\$ 40,000			
ID5-5, 200 Hp, rewind motor in yr 4, pump and casing cleaning in yr 9				\$ 10,000					\$ 60,000	
Tanks										
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 1	\$ 40,000					\$ 40,000				
Country Club, 1999 1.0 MG										
Booster/Pressure Reducing Sta.										
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						
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										
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
Video Collection Lines			\$ 10,000			\$ 10,000			\$ 10,000	
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
SHORT LIVED ASSETS REPLACEMENT PROGRAM	\$ 285,000	\$ 200,000	\$ 135,000	\$ 164,000	\$ 232,500	\$ 185,000	\$ 158,000	\$ 162,000	\$ 231,000	\$ 173,500

RESOLUTION NO. 2011-05-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BORREGO WATER DISTRICT ADOPTING PROCEDURES FOR
INCREASING WATER AND SEWER SERVICE CHARGES
UNDER PROPOSITION 218**

WHEREAS, Proposition 218 (Articles XIIC and XIID of the California Constitution) requires the District to comply with the substantive and procedural requirements set forth in section 6 of Article XIID of the California Constitution prior to imposing or increasing a fee or charge upon any parcel of property or upon any person as an incident of property ownership; and

WHEREAS, Proposition 218 requires that the record owner or ratepayer for the parcel upon which the fee or charge is proposed for imposition or increase be notified of the amount of the fee, the basis upon which the amount of the fee was calculated, the reason for the fee, and the date, time, and location of a public hearing on the fee; and

WHEREAS, Proposition 218 requires that all protests against the fee or charge be considered at that public hearing; and

WHEREAS, Proposition 218 does not clearly set forth who is allowed to submit protests, the procedure for submitting protests, or how the protests are to be tabulated;

WHEREAS, the California Legislature in 2008 passed Gov't Code Section 53755(a)(1) amending the Proposition 218 Omnibus Implementation Act to clarify the notice aspect of the Proposition 218 procedures; and

WHEREAS, the District Board of Directors (Board) wishes to set forth procedures in this resolution to clarify these issues, which are intended to be consistent with both Proposition 218 and with the Proposition 218 Omnibus Implementation Act.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrego Water District, that the following procedures shall be used when imposing or increasing a fee or charge subject to Proposition 218 as defined in Article XIID of the California Constitution:

Section 1. **Fee or Charge:** For the purposes of this resolution, “fee or charge” means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service.

Section 2. **Property-related Service:** For purposes of this resolution, “property-related service” means a public service having a direct relationship to property ownership, and includes water and sewer service charges pursuant to Bighorn-Desert View Water Agency v. Verjil (2006) 39 Cal. 4th 205.

Section 3. **Notice: Increase in Existing Fee:** Prior to increasing a fee or charge, each parcel upon which the fee or charge is proposed for imposition shall be identified. The

District shall mail written notice at least forty-five days prior to the date of the public hearing on the fee or charge to all persons who have signed up to receive the service for which the fee or charge is imposed as reflected in the billing records of the District at the time the notice is given, at the mailing address shown in the billing records of the District. (as provided in Proposition 218 Omnibus Act listed above). In addition to the persons identified in this section, the City Clerk shall also mail written notice to anyone who has submitted a written request to receive notice of the imposition or increase of a fee or charge.

Section 4. **Protest Procedure:**

A. Who may protest: Any owners whose names and addresses appear on the last equalized secured property tax assessment roll and any persons who have signed up to receive the property-related service for which the fee or charge is proposed may submit a written protest against the proposed fee or charge.

B. How may protest be received: All written protests must be submitted at the noticed public hearing, or by U.S. Mail or hand delivery to the District Office, 806 Palm Canyon Drive, Borrego Springs, CA 92004 before the conclusion of the noticed public hearing. Protests submitted by electronic mail or facsimile, and verbal protests, will not be considered by the Board. The District shall not accept or consider any protest that is received after the conclusion of the public hearing even if postmarked prior to that time. All members of the public are welcome to make comments at the public hearing whether or not they choose to submit a written protest.

C. What must be in a protest to be considered valid: Written protests must identify the affected property (by assessor's parcel number or street address) and must include the original signature of the person submitting the protest. The person signing the protest shall identify him or herself as either the owner of the parcel as shown on the last equalized security property tax assessment roll or as the person who signed up to receive the property-related service for which the fee or charge is imposed.

D. How will protests be counted: One written protest per parcel, submitted by the owner of the parcel whose name appears on the last equalized property tax assessment roll or submitted by the person who signed up to receive the property-related service for which the fee or charge is imposed, shall be counted. If either the owner of the parcel whose name appears on the last equalized property tax assessment roll or the person who signed up to receive the property-related service for which the fee or charge is imposed submits a written protest, that protest shall be included in the calculation of whether there is a majority protest against the fee or charge. If more than one person or entity owns the parcel, if one of the owners submits a written protest, that protest shall be included in the calculation of whether there is a majority protest against the fee or charge. Under all circumstances, only one protest per parcel shall be counted.

E. How may protests be withdrawn: Any person who submits a written protest may withdraw it by submitting a written request that the protest be withdrawn in person at the public hearing or to the District by U.S. Mail before the conclusion of the public hearing. The written withdrawal of a protest shall identify the parcel and the name of either the owner whose name appears on the last equalized secured property tax assessment roll or the person who signed up to receive the property-related service for which the fee or charge is imposed

and include a request that the protest be withdrawn. The withdrawal of a protest shall only be valid if it is submitted by the same person who submitted the protest.

Section 6. Tabulation of Written Protests. The following procedures are hereby adopted for calculating whether a majority protest against a fee or charge has been received:

A. The District shall determine the validity of all protests. The District SHALL find valid all written protests received as required in Section 5 above.

B. The District shall NOT accept as valid any written protest if the District determines that any of the following are applicable:

- i. The protest does not identify a parcel which receives the property related service for which the fee or charge is imposed.
- ii. The protest does not bear the original signature of the person submitting the protest.
- iii. The protest does not state its opposition to the proposed fee or charge which is the subject of the protest proceeding.
- iv. The protest was not received by the District before the close of the public hearing on the proposed fee or charge.
- v. A valid request to withdraw the protest is received prior to the close of the public hearing on the proposed fee.
- vi. The protest was delivered to the District in a manner other than U.S. mail or personal delivery (such as electronic mail or facsimile).

C. The District's decision regarding the validity of a protest shall constitute final action of the District and shall not be subject to appeal to the Board or any other employee of the District.

D. The protests shall be tabulated following the close of the public hearing. Tabulation shall be conducted by a designated employee or official of the District, or by a consultant with relevant experience. The tabulation of protests shall be conducted at the District Office. At the Board's discretion, members of the public shall be permitted to observe the tabulation process, but shall not be entitled to actively participate in the tabulation process.

E. A majority protest exists if, with respect to a majority of the parcels subject to the proposed fee or charge, written protests which comply with each of the requirements of this resolution are timely submitted and not withdrawn.

F. After the conclusion of the public hearing and tabulation of protests, the written protests shall constitute "public records" (as defined in Government Code section 6254). (section relocated)

BE IT FURTHER RESOLVED, that this activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines section 15060(c)(3).

Adopted, signed and approved this 17th day of May, 2011.

