AGENDA
Borrego Water District Board of Directors
Regular Meeting
May 25, 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
  - Special meeting of April 20, 2011 (page 2-5)
  - Regular meeting of April 27, 2011 (page 6-10)
  - Special meeting of May 3, 2011 (page 11-13)
- **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:
- **I.** Staff Reports:
  - **A.** Financial Reports – April 2011 (page 14-42)
  - **B.** Manager / Operations Report (page 43-46)
- **J.** Attorney's Report

II. CURRENT BUSINESS MATTERS

A. Consideration and possible approval of reimbursement of expenses for C. Fraser (page 47)

B. Discussion and possible action regarding approval of Agreement for the Construction of Water Facilities, Mesquite Trails (page 48-66)

C. Discussion and possible action for a no-cost extension to USGS study due date (page 67-69)

D. Consideration and possible approval of Budget Resolution 2011-05-02 ***Resolution of the Board of Directors of the Borrego Water District approving the operations, maintenance, capital improvements and groundwater management budgets and board designated reserves fund policy for fiscal year 2011-2012*** (page 70-96)

E. Approval of a motion to establish an ad-hoc audit committee comprised of Marshal Brecht and Lyle Brecht for the purpose of working with the District's auditors, Diehl Evans, in the preparation of the Fiscal Year 2010-2011 audited financials

F. Discussion of selling District Assets and possible creation of an Asset Ad Hoc Committee.

III. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1.	Due-Diligence	(M. Brecht, L. Brecht)
2.	Strategic Planning Committee	(Hart, L. Brecht)
3.	IRWM Committee	(Shimeall, L. Brecht)
4.	Executive Committee (Cocopah)	(Hart, Estep)
5.	Executive Committee (Cameron)	(Estep, Shimeall)
6.	O&M Budget Committee	(M. Brecht, Hart)
7.	Executive Committee (FAQ's)	(Hart, L. Brecht)

IV. STAFF REPORTS

- **A. Water and Wastewater Operations Report – April 2011** (page 97)
- **B. Water Production/Use Records – April 2011** (page 98-101)

V. INFORMATIONAL ITEMS

VI. CLOSED SESSION

A. Public employee performance evaluation - Gov't Code section §54957
Position Title: Interim General Counsel

VII. CLOSING PROCEDURE

Adjournment

The next Special Meeting of the Board of Directors is scheduled for June 14, 2011 at the Borrego Water District.
The next Regular Meeting of the Board of Directors is scheduled for June 22, 2011 at the Borrego Water District.

Borrego Water District
MINUTES
Special Meeting of the Board of Directors
April 20, 2011
9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

A. Call to Order: President Hart called the meeting to order at 9:00 a.m.

B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.

C. Roll Call: Directors: Present: President Hart, Vice President Lyle Brecht, Secretary/Treasurer Marshal Brecht, Estep, Shimeall

Staff: Jerry Rolwing, Interim General Manager/Operations Manager
Wendy Quinn, Recording Secretary

Public: Dennis Dickinson, Ray Delahay, Dick Walker, Lucy Larson, Doug Wilson, MTR, Judy Meier, *Borrego Sun*, Brian Brady, BVBA, Jim Engelke, Lundberg, Lisa Foster, McDougal Love Eckis Boehmer & Foley

D. Approval of Agenda: President Hart asked that Item II.J (Construction of Water Facilities for Mesquite Trails) be moved to the front of Current Business Matters so Doug Wilson could leave. Jerry Rolwing requested that Items II.L (Update on Montesoro sale negotiation) and II.N (Presentation on STAG Grant) be postponed to a future meeting. The information is not yet available. President Hart announced that during closed session, the Board would be interviewing for the position of General Counsel for the District, and an attorney would be included in the session. ***MSC: L.Brecht/Shimeall approving the Agenda as amended.***

E. Comments from Directors and Requests for Future Agenda Items: None

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

II. CURRENT BUSINESS MATTERS

J. Discussion and possible action regarding approval of Agreement for the Construction of Water Facilities, Mesquite Trails: Mr. Wilson reported he had met with District counsel to review and update the water facilities agreement, which was based on the one used for The Springs at Borrego. Mr. Rolwing had also reviewed the agreement, and it is acceptable to Mesquite Trails. Mr. Rolwing noted that David Dale had also reviewed the agreement. Since the Mesquite Trails has been in work for approximately 20 years, Mr. Rolwing suggested inserting a term limit. He also recommended reference to water credits and fees. ***MSC: L.Brecht/M.Brecht approving the Agreement for the Construction of Water Facilities for Mesquite Trails, subject to a ten-year term limit and insertion of appropriate language relative to water credits and fees.***

A. Discussion and possible action regarding Resolution 2011-04-01, ***Resolution of the Board of Directors of the Borrego Water District regarding retention of auditing firm in response to May 6, 2010 Grand Jury report and reversing in part, Resolution No. 2010-06-11,*** to retain Diehl Evans as FY 2012 auditors: ***MSC: L.Brecht/Estep adopting Resolution 2011-04-01, Resolution of the Board of Directors of the Borrego Water District regarding retention of auditing firm in response to May 6, 2010 Grand Jury report and reversing in part, Resolution No. 2010-06-11, to retain Diehl Evans as FY 2010 auditors. RC: AYES – L. Brecht, Estep, M. Brecht, Shimeall, Hart.***

B. Discussion and possible action regarding a Memorandum of Understanding with the Bureau of Reclamation for the Southeast California Regional Basin Study: ***MSC: L.Brecht/M.Brecht adopting the Memorandum of Understanding with the Bureau of Reclamation for the Southeast California Regional Basin Study and authorizing the Interim General Manager to sign it, conditioned upon the addition of an exhibit listing pre-approved in-kind services, a maximum cash contribution of $12,000 without prior approval, correction on page 9 to remove the designation of "Engineering" from Mr. Rolwing's title, and subject to review of the final document by Director Marshal Brecht and Mr. Rolwing before signature. RC: AYES – L. Brecht, M. Brecht, Estep, Shimeall, Hart.***

C. Discussion and possible action regarding the Engagement Agreement with Brian Brady and Task Order #2 to provide advice regarding a review of the District's water credits policy to determine whether the District's present policy constitutes a reasoned business use of ratepayer funds: Director Lyle Brecht explained that the Engagement Agreement with Brian Brady had already been approved. This item was provided for information. The cost of Task Order #2 is $2,700.

D. Discussion and possible action regarding cash reserves policy for the District: Director Lyle Brecht invited the Board's attention to his proposed cash reserves policy, version 1.10, in the Agenda packet. He suggested the policy be used in financial modeling. Director Marshal Brecht pointed out that if the capital reserves are large enough, the rate stabilization reserves would be unnecessary unless required by a bond issue. Director Lyle Brecht agreed to ask Dennis Ciocca's opinion on this issue. President Hart inquired about the asset replenishment reserves. Director Lyle Brecht explained that Mr. Dale had developed the list of asset values, and Raftelis is working on how this reserve would be funded and over what time period. Raftelis will present a report at next week's Board meeting.

E. Discussion and possible action regarding groundwater management (GWM) implementation plan cost estimate from Wildermuth Environmental, Inc.: Director Lyle Brecht noted that this is an information item which relates to the financial model.

F. Discussion and possible action regarding establishing an Ad Hoc committee comprised of Jerry Rolwing, Kim Pitman, Brian Brady, and Marshal Brecht to develop recommendations for expenditure changes to the FY 2012 Operations and Management (O&M) budget: ***A motion was made by Director Lyle Brecht and seconded by Director Marshal Brecht to establish an Ad Hoc committee comprised of Jerry Rolwing, Kim Pitman, Brian Brady, and Marshal Brecht to develop recommendations for expenditure changes to the FY 2012 Operations and Management (O&M) budget.*** President Hart suggested that this committee be combined with the one proposed in Item II.G (an Ad Hoc committee consisting of Beth Hart and Marshal Brecht for the purposes of addressing human resource matters). ***Director Lyle Brecht amended his motion to designate the committee as the Ad Hoc Operations and Management Committee and add Beth Hart to its membership. The amended motion was seconded by Director Estep and carried.***

G. Discussion and possible action regarding creation of an Ad Hoc committee consisting of Beth Hart and Marshal Brecht for the purposes of addressing human resource matters: This item was combined with Item II.F.

H. Discussion and possible action regarding a date for a workshop to discuss the financial model developed by Raftelis Financial Consulting (RFC) for the District and recommendations to improve the District's financial situation: Mr. Rolwing reported that he would be meeting with a Raftelis representative at 11:00 a.m. tomorrow. A webinar for the Ad Hoc O&M Committee was scheduled for Friday, April 22, and a workshop for the full Board and public will be held on Wednesday, April 27 at 1:00 p.m.

I. Discussion and possible action regarding approval of Agreement for Consulting Services for David Taussig & Associates: Mr. Rolwing explained that the agreement with Taussig is approved annually to provide for handling Community Facilities District matters and

tax collection. He recommended approval. ***MSC: Estep/L.Brecht approving the Agreement for Consulting Services for David Taussig & Associates.***

K. Discussion and possible action regarding approval of water availability form for US Solar Project: Mr. Rolwing reported that US Solar had not yet informed the District whether they would be able to use any of the wells on the site of their proposed project. However, the form that is being presented now is only the first of three District approvals. It indicates that we have water. A second approval will be required to indicate how the water will be transmitted to US Solar, and the third in conjunction with the final map. Dennis Dickinson reported that the Sponsor Group was concerned about the amount of water US Solar would use during construction, and suggested requiring a meter. The Sponsor Group prefers the use of water trucks during construction rather than sprinklers, which are wasteful. Mr. Rolwing suggested installing a fire hydrant on the property so the water trucks wouldn't have to travel across town. ***MSC: L.Brecht/Estep authorizing Mr. Rolwing to prepare and sign a letter to US Solar indicating water availability.*** Mr. Rolwing agreed to circulate the draft letter to the Board prior to transmittal.

M. Discussion and Consideration by the Board to authorize the Interim General Manager to write a letter of support on behalf of Board of Directors to support Senate Bills SB 11 and SB 120: Mr. Rolwing reported that Senator Joel Anderson had requested the District's support of two senate bills protecting taxpayers from penalties resulting from the issuance of IOUs by the State. ***MSC: L.Brecht/Estep authorizing the Interim General Manager to write a letter of support on behalf of the Board of Directors to support Senate Bills 11 and 120.***

President Hart declared a recess at 10:20 a.m., and the Board reconvened at 10:30 a.m.

F. Discussion and possible action regarding establishing an Ad Hoc committee comprised of Jerry Rolwing, Kim Pitman, Brian Brady, and Marshal Brecht to develop recommendations for expenditure changes to the FY 2012 Operations and Management (O&M) budget ***(continued)***: Brian Brady arrived at 10:30 a.m. He addressed those present, citing 40 years experience with water and power districts, both public and private. He is a Registered Civil Engineer and holds an MBA in finance and a doctorate in organizational development. The Board had requested him to review its organization, staffing levels, positions and salaries as well as the financial condition of the District. Lucy Larson pointed out that his report indicates discussions with 20 organizations, but the references at the end are only to contacts within BWD. She further questioned the statement that benefits typically make up 40 to 60 percent of compensation, which she felt was too high. Dr. Brady explained that he had obtained data from an unpublished survey by a human resources expert at another water district, and also contacted a number of other water and public utility districts. His experience and the survey data support the 40 to 60 percent benefit level. Ms. Larson suggested looking at ways to cut costs for the sake of the ratepayers. President Hart pointed out that some benefits are vested for existing employees but could be reduced for new ones.

III. CLOSED SESSION

A. Discussion regarding advice from legal counsel and advisor Dr. Brian Brady regarding the Viking Ranch purchase agreement subject to Govt. Code section 54956.9(b) and (c) for the purpose of giving direction to the District's negotiators under Govt. Code section 54956.8 related to the real property known as the Viking Ranch with negotiators Lee Estep, Beth Hart, and Jerry Rolwing for the District in preparation for negotiating with Lance Lundberg from the Viking Ranch:

B. Discussion for the purpose of giving direction to the District's negotiators under Govt. Code section 54956.8 related to the real property known as the Cocopah Nurseries with negotiators Lee Estep, Beth Hart, and Jerry Rolwing for the District:

C. Discussion for the purpose of giving direction to the District's negotiators under Govt. Code section 54956.8 related to the lease of real property known as the Club Circle Golf Course with negotiators Lee Estep, Eleanor Shimeall and Jerry Rolwing for the District in preparation for discussions with Jack Cameron:

D. Discussion for the purpose of giving direction to the District's negotiators under Govt. Code section 54956.8 related to the settlement terms on the real property known as Monica with negotiators Beth Hart and Jerry Rolwing for the District:

E. Discussion for the purpose of giving direction to the District's negotiator, Lee Estep, and possible action regarding the selection of general counsel under Govt. Code section 54957:

F. Discussion for the purpose of giving direction to the District's negotiator, Jerry Rolwing, and possible action regarding recommended changes to the District's employee benefits package for existing and new employees under Govt. Code section 54957:

The Board adjourned to closed session at 10:50 a.m. The open session reconvened at 1:20 p.m., and it was announced that Lisa Foster of McDougal, Love, Eckis, Boehmer & Foley had been appointed as General Counsel for the District.

IV. CLOSING PROCEDURE

A. Adjournment: There being no further business, the meeting adjourned at 1:20 p.m. The next meeting of the Board of Directors is scheduled for April 27, 2011 at the Borrego Water District.

\Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, April 27, 2011
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

A. Call to Order: President Hart called the meeting to order at 9:00 a.m.

B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.

C. Roll Call: Directors: Present: President Hart, Vice-President Lyle Brecht, Secretary/Treasurer Marshal Brecht, Estep
Absent: Shimeall (due to illness)

Staff: Jerry Rolwing, General Manager/Operations Manager
Kim Pitman, Administration Manager
Diana Del Bono, Administrative Assistant
Lisa Foster, McDougal Love Eckis Boehmer & Foley
Wendy Quinn, Recording Secretary

Public: Judy Meier, *Borrego Sun*, Doug Wilson, MTR, Bob McKee, Ray Delahay, Dennis Dickinson, Dick Walker, Ray Shindler, Julian Peabody, Sanjay Gaur, RFC

D. Approval of Agenda: ***MSC: approving the Agenda as written.***

E. Approval of Minutes:

Special meeting of March 15, 2011

Director Marshal Brecht requested that the motion in Item II.C (Agenda page 3, Minutes page 2) be corrected to reflect the subsequent amendment (substitution of Director Estep for Director Marshal Brecht on the executive committee). ***MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of March 15, 2011 as amended.***

Regular meeting of March 23, 2011

MSC: L.Brecht/Estep approving the Minutes of the Regular Meeting of March 23, 2011 as written.

Town Hall Minutes of March 30, 2011

MSC: L.Brecht/M.Brecht approving the Town Hall Minutes of March 30, 2011 as written.

Special meeting of April 6, 2011

Director Lyle Brecht made the following corrections: In Item III.A (Agenda page 17, Minutes page 2), insert the estimated water use by US Solar during construction (100 acre-feet) and thereafter (2 to 4 acre-feet per year). Change the April 19 meeting date in Items III.A and III.B (Agenda page 17, Minutes page 2) to "the next Board meeting." Amend the first paragraph of Item IV.A (Agenda page 17, Minutes page 2) to read in part as follows: ". . . Director Lyle Brecht noted that the end-of-year revenue projection, reflected on page 2, is $3,082,918. ~~Brian Brady explained that this includes revenue and depreciation.~~ Director Lyle Brecht pointed out that on the last page, the end-of-year expense projection ~~differs:~~ is $3,708,806." Amend the third paragraph of Item IV.A (Agenda page 18, Minutes page 3) to read in part as follows: "David Dale pointed out that with the current ~~rate study,~~

~~a reserve account should be added into the budget~~ budget, no reserves are being accumulated. . . ." In the fourth paragraph of Item IV.A (Agenda page 18, Minutes page 3), correct the first sentence to indicate the requestor was President Hart rather than Director Lyle Brecht. ***MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of April 6, 2011 as amended.***

F. Comments from Directors and Requests for Future Agenda Items: None

G. Comments from the Public and Requests for Future Agenda Items: Doug Wilson of Mesquite Trails Ranch thanked the Board for approving the water agreement for his development, but explained that with the recent change in District counsel some additional changes were being made and would be presented to the Board at its next meeting.

Bob McKee commended the new Board's efforts to resolve the District's financial issues. He referred to the exemption of commercial and irrigation customers from tiered rates, noting the policy provided they would comply with Best Business Practices in water conservation by July 1, 2009. This has not occurred, and they have been granted benefits by the District. He opined that many Borrego Springs residents are on Social Security and have a low average income. He urged the Board to consider this if a rate increase is contemplated. President Hart inquired about the benefits to commercial and irrigation customers, and Mr. McKee cited the mitigation credits granted to Palm Canyon Resort and Christmas Circle. Director Marshal Brecht asked the source of his information on residents' income levels, and Mr. McKee cited the Social Security System website. Director Marshal Brecht pointed out that many of those collecting Social Security have other sources of income.

H. Correspondence: Jerry Rolwing reported the Board had received a letter from Carolyn Fraser, a casita resident at Montesoro. When Ms. Fraser purchased her home from a seasonal resident, the sewer overflowed and it was discovered the sewer line was never connected to the main. The District paid for the repairs, but now she is requesting reimbursement for a $120 hotel bill incurred when her bathroom was out of service. President Hart requested that the matter be placed on the next Agenda for possible action. Mr. Rolwing is working with the homeowners' association to avoid future incidents such as this, and he and David Dale are working on a policy for the Board's consideration at its next regular meeting.

I. Staff Reports:

A. Financial Reports – March 2011

Director Marshal Brecht pointed out that the actuals for March were close to the cash flow projections (within $5,000). Director Lyle Brecht noted that $432 was left at the end of the month. Discussion followed regarding variations in the financials which could occur based on whether or not the Montesoro sale goes through and whether we receive the STAG grant. Further discussion was continued until Raftelis' arrival this afternoon. Mr. McKee suggested the District could save money on cell phones by using radios, and President Hart asked him to provide details to Mr. Rolwing.

B. Manager/Operations Report

Mr. Rolwing invited the Board's attention to his written report in the Agenda. He added that he received an e-mail from Allison Burns regarding the Montesoro lawsuit, informing him of a court proceeding on May 13 regarding fees. He and Andrea Rauth from Taussig will testify. Director Lyle Brecht requested time frame information on the projects in progress listed in Mr. Rolwing's written report. President Hart inquired about the County's water mitigation credit policy, and Mr. Rolwing expected their draft to be released on May 17.

J. Attorney's Report: President Hart introduced the new Interim General Counsel, Lisa Foster.

II. CURRENT BUSINESS MATTERS

A. Report of selection of General Counsel: Ms. Foster explained that her managing partner had worked with the Camerons and let her know the District might be seeking a General Counsel, so she contacted Mr. Rolwing and submitted written material on her background and her firm. She thanked the

Board for the opportunity to serve as Interim Counsel and committed to avoiding delays during the transition. President Hart noted that Ms. Foster had offered to serve on an interim basis to afford the District the opportunity to become familiar with her. Ms. Burns will continue to represent the District in the Montesoro case. Ms. Foster noted that she plans to attend all Board meetings but does not charge for travel time to and from her home in Alpine. Director Estep noted that he had been familiar with her firm for 45 years and was happy to have Ms. Foster serve the District. ***MSC: L.Brecht/Estep approving the agreement between Borrego Water District and McDougal, Love, Eckis, Boehmer, & Foley, A Professional Corporation.***

B. Discussion and possible action regarding the appointment of Jerry Rolwing as General Manager: ***MSC: Estep/M.Brecht appointing Jerry Rolwing as General Manager and Operations Manager. RC: AYES – Estep, M. Brecht, L. Brecht, Hart. ABSENT – Shimeall.*** The action was enthusiastically endorsed by all.

President Hart declared a recess at 10:00 a.m., and the Board reconvened at 10:10 a.m.

C. Presentation of STAG Grant: Mr. Rolwing distributed a handout outlining the status of the pending STAG grant, an earmark initiated by Congressman Hunter Sr. and continued by his son, the current Congressman Hunter. The grant would fund a feasibility study for the importation of water from Imperial Irrigation District or Clark Lake. Some additional design and survey work remains, as well as coordination with other affected agencies. The District has submitted a claim for $135,000 and has been informed by the EPA that it has been approved. This will provide reimbursement for the Southeast Transmission Line survey and design, the Clark Lake Transmission Line survey and design and the Wilcox Reservoir site and drainage studies and design. Mr. Rolwing explained that another $200,000 has been expended for which we don't expect reimbursement from EPA; however, less than $20,000 in project costs remains. Some costs may be covered by the Bureau of Reclamation, and future STAG grant payments are anticipated. The total grant amount is $267,000. Julian Peabody questioned the water quality at Clark Lake, and Mr. Rolwing replied that original tests in 2002 indicated excessive salinity but more recently higher quality water was discovered in the northern area.

III. COMMITTEE REPORTS & PROPOSALS

A. Ad Hoc Committees

1. Due-Diligence

Mr. Peabody asked whether the January 26 draft report from the Due Diligence Committee had been finalized. President Hart asked Diana Del Bono to check for any more recent reports or e-mails and send them to Mr. Peabody. Director Lyle Brecht noted that the January 26 report had been adopted, but it was unclear whether there were revisions prior to adoption.

2. Strategic Planning Committee

President Hart explained that the Strategic Planning Committee had been formed to prepare for the Town Hall Meeting, and asked whether the Board had additional jobs for the Committee. Ray Shindler suggested they look for ways to get agriculture out of the Valley, and Dick Walker suggested seeking input on rates.

3. IRWM Committee

Mr. Rolwing reported he had spoken to the State facilitator, who wants to interview him as well as Directors Lyle Brecht and Shimeall and perhaps Brian Brady.

4. Executive Committee (Cocopah)

Director Estep reported that the Committee met with Cocopah and discussed a possible compromise whereby the District would get the well and the property it is on. President Hart added that the District had requested a full refund from Duane Young (Cocopah owner), but he respectfully

declined. Negotiations are continuing toward a potential three-month extension of the option for three months at a cost of $50,000.

5. Executive Committee (Cameron)

Director Estep reported that the Committee had been working with Abby King and hoped to meet with Jack Cameron on Thursday.

6. O&M Budget Committee

President Hart reported that the work of the O&M Budget Committee would be part of this afternoon's presentation by Raftelis.

IV. STAFF REPORTS

A. Water and Wastewater Operations Report – March 2011: Mr. Rolwing reported that the former CSD treatment plant would be decommissioned next week. President Hart inquired about the possibility of selling it. Mr. Rolwing explained that the District would take a loss, but agreed to discuss it with Mr. Dale.

The data from the annual pump check was received yesterday and the results were good.

B. Water Production/Use Records – March 2011: The records were included in the Agenda.

C. Year to Date meter installations: Mr. Rolwing reported that several more meters were installed last month for Bill Wright, and three more are scheduled for next month.

D. Meter Installation history: The historical figures were included in the Agenda.

V. INFORMATIONAL ITEMS

None

VI. CLOSED SESSION

None

VII. ADJOURNMENT UNTIL 1:00 P.M.

President Hart declared a recess at 10:45 a.m., and the Board reconvened at 1:00 p.m.

VIII. ADDITIONAL BUSINESS MATTERS

A. Discussion and possible action regarding a review of the results of the financial model developed for the District by Raftelis Financial Consultants (RFC): Sanjay Gaur of Raftelis Financial Consultants presented a proposed financial plan covering the next ten fiscal years with suggested annual rate increases on July 1. Separate plans were developed for ID 4 water rates due to debt coverage requirements; and for ID 2 sewer rates due to contract commitments. A 30-year debt at 5 percent interest with a 3 percent cost, issuing each July 1, was assumed. The District's cash at the beginning of 2012 was estimated at $383,337 assuming the sale of Montesoro. Discussion followed regarding alternative scenarios if the sale doesn't occur, and President Hart asked that Mr. Gaur do those calculations. Mr. Gaur explained that the financial model can include reserve targets for operating, capital improvement, contingency, rate stabilization, emergencies and employee benefits.

President Hart declared a recess at 1:35 p.m., and the Board reconvened at 1:50 p.m.

Mr. McKee reiterated his concern regarding the tiered rates and the exclusion of commercial and irrigation customers. Mr. Gaur explained that the rate study included three components: the financial plan, costs, and rate structure. The financial plan is being addressed currently, and under Proposition 218 the Board must act now if they wish to implement a rate increase on July 1. Thereafter, the rate structure can be addressed, and any change would also require a 218 process.

Mr. Gaur presented charts and graphs illustrating the District's financial picture with and without the sale of Montesoro. Figures were included for each ID and for each meter size. Discussion followed regarding whether to advertise two alternative rate increases under 218 or just the "worst case" without the Montesoro sale. The rates can always be adjusted downward if the sale occurs without another 218 process. The possibility of saving money by canceling the Wildermuth groundwater management study was discussed.

Discussion followed regarding inflation. Mr. Gaur assumed three percent, and later five percent. Ms. Foster noted that language could be included in the 218 notice allowing for rate increases to cover inflation.

B. Discussion and possible action regarding recommendations from Raftelis Financial Consultants (RFC) regarding potential steps to improve the District's present financial situation that may include, among other things, providing notice of a Proposition 218 rate increase hearing in June 2011: ***MSC: Estep/L.Brecht directing legal counsel to draft a Notice of Public Hearing on water and sewer rates pursuant to Proposition 218 including increases in sewer rates by 30% in 2012, 20% annually in 2013 and 2014, and 5% annually in 2015 and 2016; two alternate water rate increases by 50% in 2012, 20 percent annually in 2013 and 2014, and 5% annually in 2016 and 2016; or 30% in 2012, 20% in 2013 and 2014, and 5% in 2015 and 2016; and including a "pass through" provision that escalating electrical rates may trigger an additional rate increase. RC: AYES – Estep, L. Brecht, M. Brecht, Hart; ABSENT – Shimeall.***

After discussion, it was agreed not to mention that the two alternate increases were based on the sale or Montesoro.

IX. CLOSING PROCEDURE

Adjournment. There being no further business, the meeting adjourned at 4:10 p.m. The next regular meeting of the Board of Directors is scheduled for May 25, 2011 at the Borrego Water District.

Borrego Water District
MINUTES
Special Meeting of the Board of Directors
May 3, 2011
2:00 p.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

A. Call to Order: President Hart called the meeting to order at 2:00 p.m.

B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.

C. Roll Call: Directors: Present: President Hart, Vice President Lyle Brecht, Secretary/Treasurer Marshal Brecht, Estep
Absent: Shimeall

Staff: Jerry Rolwing, General Manager/Operations Manager
Kim Pitman, Administration Manager

Public:

Jim Wilson, Christmas Circle Comm. Park	Judy Meier, *Borrego Sun*
	Ray Delahay
Dick Walker	Jim Engelke
Mark Remy	Pete Oljar
Dean McBride	Don McKelvey
Brian Cegelski	Kathy Johnston
Sheree Pilot	Rebecca Falk, RRR
Fred Jee	Saul Miller
Linda Haddock, Chamber	Laura Maxwell
Sanjay Gaur, RFC (via Videoconference)	Roger Ries, American Legion
	Bill Wright

D. Approval of Agenda: President Hart announced that Sanjay Gaur of Raftelis Financial Consultants had suggested approving the budget (Item II.D) prior to reviewing the proposed rates (Item II.A). Director Lyle Brecht noted that the press release had been submitted to the *Borrego* Sun to meet the noon deadline, so he suggested a discussion of proposed Frequently Asked Questions (FAQ) instead of review of the press release (Item II.C). ***MSC: L.Brecht/Estep approving the Agenda as amended.***

E. Comments from Directors and Requests for Future Agenda Items: None

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

II. CURRENT BUSINESS MATTERS

D. Discussion and possible approval of the FYE 2012 Budget: Jerry Rolwing explained that the budget had been streamlined as much as possible, and contemplated the worst case scenario, i.e. without the sale of Montesoro. The Operations and Maintenance budget, which was the only one under consideration today, would be reduced from $3.8 million last year to $2.5 million. Director Lyle Brecht requested that once the Capital budget is approved, the two be filed together with a cover letter. ***MSC: L.Brecht/M.Brecht approving the FYE 2012 Operations and Maintenance Budget as proposed.***

President Hart declared a recess at 2:10 p.m., and the Board reconvened at 2:15 p.m.

C. Discussion and approval of press release concerning rate increase published in the SUN: Because Mr. Gaur would not be available for the webinar (Item II.A) until 2:30, this item was taken out of order.

President Hart noted that two public hearings were contemplated, and Director Estep expressed opposition on the basis that it was an unnecessary expense. After discussion and hearing no opposition from the public, the Board agreed to have only one public hearing at the regular Board meeting on June 22. President Hart will contact counsel.

President Hart reviewed the FAQs, which explained the reasons for the rate increase, what would happen without it, and what we have done to reduce expenses. The FAQs concluded with ways in which the public can participate, the protest process and how Proposition 218 works.

A. Webinar with Sanjay Gaur from RFC to review the proposed rates for inclusion in the Public Hearing notice for June 22nd: Mr. Gaur joined the meeting via webinar and summarized his background. He summarized the scenario generated by the model. Our cash flow would be a negative $425,000 at year end without the rate increase. Reserve targets include operations and maintenance, capital improvements and emergency. A financial plan for the next five to six years was presented, suggesting a 30% rate increase in 2012, 16 percent in 2013 and 2014, and 5 percent in 2015 and 2016. By 2017 the reserve target of $2.5 million could be achieved.

Director Lyle Brecht suggested escalating the increases to build up reserves. Discussion followed regarding options including higher increases in 2013 and 2014 or 30 percent in 2012 and 2013. Borrowing ability and reserves are an important consideration. The Montesoro sale is still an unknown but we are assuming the worst case. President Hart noted that two scenarios, with and without the Montesoro sale, had originally been contemplated. Fred Jee pointed out that even with a sale, the new owner may want to renegotiate the financial arrangement with the District. Bill Wright predicted an interested buyer would wait until foreclosure.

Discussion followed regarding BWD's rates compared to other districts. President Hart explained that the comparison is difficult because other districts lack aquifers and import water. Further discussion ensued regarding water and sewer components, and President Hart explained that they are separate, so water ratepayers will not subsidize the sewer.

B. Discussion and approval of rates for inclusion in the Public Hearing Notice for June 22nd: ***MSC: L.Brecht/Estep approving water and sewer rate increases, subject to the Proposition 218 process, according to the schedule attached hereto and incorporated by reference.*** Further discussion followed regarding comparisons to other districts' rates, and Mr. Rolwing agreed to send data to Mr. Gaur. The Board agreed that an Executive Committee composed of President Hart and Director Lyle Brecht will complete the drafting of the FAQs. The information will be available in English and Spanish on the District website and at the office.

III. CLOSING PROCEDURE

A. Adjournment: There being no further business, the meeting adjourned at 3:45 p.m. The next meeting of the Board of Directors is scheduled for May 25, 2011 at the Borrego Water District.

Fixed Meter Charges are proposed to change as shown in the following table:

Water Rates for All ID's						
Fixed Charge	**Current Rates**		**Proposed**	**Rates**		
Meter Size	$/Mo.	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
3/4"	$ 19.58	$ 25.45	$ 33.09	$ 36.40	$ 40.04	$ 42.04
1"	$ 28.62	$ 37.21	$ 48.37	$ 53.20	$ 58.53	$ 61.45
1 1/2"	$ 48.26	$ 62.74	$ 81.56	$ 89.72	$ 98.69	$ 103.62
2"	$ 73.05	$ 94.97	$ 123.45	$135.80	$ 149.38	$ 156.85
3"	$ 132.67	$172.47	$ 224.21	$246.63	$ 271.30	$ 284.86
4"	$ 211.50	$274.95	$ 357.44	$393.18	$ 432.50	$ 454.12
6"	$ 422.00	$548.60	$ 713.18	$784.50	$ 862.95	$ 906.10

Commodity Rates are proposed to change as shown in the following table:

		Current Rates			**Proposed Rates (All ID's)**				
Winter		ID-1	ID-3	ID-4 & 5	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Tier 1	45	$ 1.02	$ 1.23	$ 1.12	$ 1.46	$ 1.90	$ 2.09	$ 2.30	$ 2.42
Tier 2	> 45	$ 1.53	$ 1.84	$ 1.68	$ 2.19	$ 2.85	$ 3.14	$ 3.46	$ 3.64
Summer									
Tier 1	55	$ 1.02	$ 1.23	$ 1.12	$ 1.46	$ 1.90	$ 2.09	$ 2.30	$ 2.42
Tier 2	> 55	$ 1.53	$ 1.84	$ 1.68	$ 2.19	$ 2.85	$ 3.14	$ 3.46	$ 3.64

Sewer service charges are proposed to change as shown in the following table:

Sewer Rates						
	Current Rates	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
ID -1	$ 17.14	$ 22.29	$ 28.98	$ 30.43	$ 31.96	$ 33.56
ID -5	$ 32.00	$ 41.60	$ 54.08	$ 56.79	$ 59.63	$ 62.62

BORREGO WATER DISTRICT

Treasurer's Report
April, 2011

	Bank Balance	Carrying Value	Fair Value	% of Portfolio Current Actual	Imposed Limit	Rate of Interest	Maturity Date	Valuation Source
Cash and Cash Equivalents:								
Demand Accounts at Borrego Springs Bank/WFB								
General Account/Petty Cash	$ 269,761	$ 205,687	$ 205,687	36.01%	n/a	0.00%	n/a	BSB/WFB
SA #1 Account	$ 10,679	$ 10,679	$ 10,679	1.87%	n/a	0.04%	n/a	WFB
SA #3 Account	$ 809	$ 809	$ 809	0.14%	n/a	0.05%	n/a	WFB
SA #4 Account	$ 39,330	$ 39,330	$ 39,330	6.89%	n/a	0.05%	n/a	WFB
SA #5 Account	$ 19,049	$ 19,049	$ 19,049	3.33%	n/a	0.04%	n/a	WFB
Payroll Account	$ 16,272	$ 11,456	$ 11,456	2.01%	n/a	0.05%	n/a	WFB
CC GOLF	$ 13,383	$ 13,383	$ 13,383	2.34%	n/a	0.05%	n/a	WFB
LAIF	$ 20,712	$ 20,712	$ 20,712	3.63%	n/a	0.50%	n/a	LAIF
MMA	$ 250,091	$ 250,091	$ 250,091	43.78%	n/a	0.45%	n/a	WFB
Total Cash and Cash Equivalents	**$ 640,086**	**$ 571,196**	**$ 571,196**	**100.00%**				
Facilities District No. 2007-1								
First American Treas Obligation -US BANK	215,255	215,255	215,255					
Total Cash,Cash Equivalents & Investments	**$ 855,341**	**$ 786,451**	**$ 786,451**					

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

Kim Pitman, Administration Manager

P.O. BOX 1870 / 806 PALM CANYON DRIVE, BORREGO SPRINGS, CA 92004 (760) 767-5806 FAX (760) 767-5994 www.borregowd.org

BORREGO WATER DISTRICT

	BALANCE SHEET April 30, 2011 (unaudited)	BALANCE SHEET March 31, 2011 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	$ 571,195.65	$ 690,388.10	$ (119,192.45)
Accounts receivable from water sales and sewer charges	$ 317,077.47	$ 272,949.92	$ 44,127.55
Interest receivable	$ -	$ -	$ -
Inventory	$ 146,837.65	$ 141,985.30	$ 4,852.35
Availability charges receivable	$ 380,774.12	$ 407,071.08	$ (26,296.96)
Prepaid expenses	$ 39,176.75	$ 39,176.75	$ -
Other Receivables	$ 23,604.02	$ 23,604.02	$ -
TOTAL CURRENT ASSETS	**$ 1,478,665.66**	**$ 1,575,175.17**	$ (96,509.51)
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	$ 164,234.33	$ 165,068.01	$ (833.68)
Unamortized bond issue costs	$ 112,999.27	$ 113,539.93	$ (540.66)
Total Debt service	$ 277,233.60	$ 278,607.94	$ (1,374.34)
Trust fund:			
Investments with fiscal agent -CFD 2007-1	$ 215,255.21	$ 213,474.00	$ 1,781.21
Total Trust fund	$ 215,255.21	$ 213,474.00	$ 1,781.21
TOTAL RESTRICTED ASSETS	**$ 492,488.81**	**$ 492,081.94**	
UTILITY PLANT IN SERVICE			
Land	$ 2,004,182.90	$ 2,009,682.90	$ (5,500.00)
Flood Control Facilities	$ 4,319,603.58	$ 4,319,603.58	$ -
Capital Improvement Projects	$ 2,378,537.32	$ 2,300,378.30	$ 78,159.02
Sewer Facilities	$ 5,574,650.73	$ 5,574,650.73	$ -
Water facilities	$ 10,206,454.19	$ 10,206,454.19	$ -
Pipelines,wells and tanks	$ 648,601.51	$ 648,601.51	$ -
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	$ (9,922,307.98)	$ (9,864,602.80)	$ (57,705.18)
			$ -
NET UTILITY PLANT IN SERVICE	**$ 17,066,590.75**	**$ 17,051,636.91**	$ 14,953.84
OTHER ASSETS			
Water rights -ID4	$ 185,000.00	$ 185,000.00	$ -
TOTAL OTHER ASSETS	**$ 185,000.00**	**$ 185,000.00**	
TOTAL ASSETS	**$ 19,222,745.22**	**$ 19,303,894.02**	$ (81,148.80)

LIABILITIES:

	BALANCE SHEET April 30, 2011 (unaudited)	BALANCE SHEET March 31, 2011 (unaudited)	MONTHLY CHANGE (unaudited)
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	$ 119,682.35	$ 135,586.21	$ (15,903.86)
Accrued expenses	$ 182,793.98	$ 172,387.73	$ 10,406.25
Deferred Revenue	$ 218,852.88	$ 245,149.84	$ (26,296.96)
Deposits	$ 27,807.50	$ 27,807.50	$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	**$ 549,136.71**	**$ 580,931.28**	$ (31,794.57)
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	$ 215,255.21	$ 213,474.00	$ 1,781.21
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	**$ 215,255.21**	**$ 213,474.00**	$ 1,781.21
LONG TERM LIABILITIES			
2008 Certificates of particpation(payable from restricted assets)	$ 2,775,000.00	$ 2,775,000.00	$ -
Montesoro Note Payable	$ 540,123.13	$ 540,123.13	$ -
TOTAL LONG TERM LIABILITIES	**$ 3,315,123.13**	**$ 3,315,123.13**	$ -
TOTAL LIABILITIES	**$ 4,079,515.05**	**$ 4,109,528.41**	$ (30,013.36)
FUND EQUITY			
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	$ 1,726,227.15	$ 1,777,362.59	$ (51,135.44)
Total retained earnings	$ 5,493,686.00	$ 5,544,821.44	$ (51,135.44)
TOTAL FUND EQUITY	**$ 15,143,230.17**	**$ 15,194,365.61**	$ (51,135.44)
TOTAL LIABILITIES AND FUND EQUITY	**$ 19,222,745.22**	**$ 19,303,894.02**	$ (81,148.80)

BORREGO WATER DISTRICT
Income Budget to Actual Comparisons
FYE 2011

Account #	Description	Current Budget FYE 2011	Beginning Balance 04/01/11	Monthly Activity April	Actual as of 04/30/11	Actual vs Budget FYE 2011
	WATER REVENUE					
xx4110	Residential Water Sales	855,000	391,771	40,155	454,853	53.20%
xx4115	Commercial Water Sales	108,500	73,590	8,320	81,910	75.49%
xx4120	Irrigation Water Sales	140,000	68,265	6,380	74,645	53.32%
xx4125	GWM Surcharge	108,000	69,302	8,699	78,000	72.22%
xx4130	Water Sales Power Portion	321,000	204,138	25,893	230,031	71.66%
xx4140/4171	Readiness Charges Water	640,000	478,117	54,310	532,427	83.19%
xx4155	Meter Installation	30,000	48,872	-	48,872	162.91%
xx4162	Reconnect Fees	6,000	6,800	4,080	10,880	181.33%
xx4163/4164/4165	Backflow Testing	6,000	3,397	-	3,397	56.61%
xx4170	Water Bulk/pfmp	1,500	1,177	-	1,177	78.43%
xx4180	Penalty&Interest Water Collection	25,000	18,892	2,249	21,141	84.56%
	Total Water Revenue:	2,241,000	1,364,321	150,085	1,537,334	68.60%
	AVAILABILTY CHARGES					
15-4230/01-4200/1402	641500 1% Property Assessments	36,000	41,077	18,356	59,432	165.09%
XX4210/1420	SA 1 Water/Sewer/Flood control 6415-02	158,000	17,895	1,819	19,714	12.48%
xx4220/1410	Water Availability Standby-Admin 6415-01	87,000	58,013	4,728	62,741	72.12%
03-4220/1440	SA 3 Water Standby Fee 6415-04	30,000	9,954	754	10,708	35.69%
07-4230/1430	Pest Control Standby fees	18,000	9,740	641	10,381	57.67%
xx4280	Penalty & Interest-Availability Charges	2,000	1,000	-	1,000	50.00%
	Total Availability Charges:	331,000	137,679	26,297	163,976	49.54%
	SEWER SERVICE CHARGES					
xx4310	TCS Holders Fees	180,000	135,163	15,012	150,175	83.43%
064320	TCS Users Fees	30,000	25,410	3,000	28,410	94.70%
104320	SA #5 Sewer Fees	131,000	97,891	10,774	108,665	82.95%
054325	SA #1 Sewer Fees	54,000	40,881	4,543	45,424	84.12%
xx4330	Sewer Penalty & Interest Charges	-	1,414	-	1,414	0.00%
xx4340	Sewer Hook-UP Fees	1,000	-	-	-	0.00%
xx4360	Inspection fees	500	-	-	-	0.00%
xx4370	Capacity Fees	3,500	2,138	-	2,138	61.10%
	Total Sewer Service Charges:	400,000	302,898	33,328	336,226	84.06%
	PARK/GOLF INCOME					
15-4605	CSD Fees-(Trash & Golf)	92,406	72,680	8,067	80,747	87.38%
4610-4613	Golf receipts	27,594	16,370	2,835	19,205	69.60%
	Total Park/Golf Income:	120,000	89,050	10,902	99,952	83.29%
	OTHER INCOME					
xx4600	Rent Income San Diego County	7,584	5,710	643	6,353	83.77%
xx4603	Plan Review Fee/Will Serve Commitments	12,000				0.00%
xx4602	Annexation fees	-	500	-	500	0.00%
xx4791	Water Credits Administration Fee	50,000	3,500	-	3,500	7.00%
XX4730	Fire Hydrant Installation		-	-	-	0.00%
xx4790	Miscellaneous Income	15,000	8,113	30	8,143	54.29%
XX4991	Gain on Asset Sold	2,000	-	-	-	0.00%
	Total Other Income:	86,584	17,823	673	18,496	21.36%
	INTEREST INCOME					
xx4890	Interest Income LAIF	500	50	-	50	10.08%
xx4898	Interest Income Other	10,000	2,288	43	2,331	23.31%
	Total Interest Income:	10,500	2,339	43	2,382	22.68%
	Total Income:	3,189,084	1,914,110	221,328	2,158,365	67.68%

BORREGO WATER DISTRICT
Expense Budget to Actual Comparison
FYE 2011

ACCT #	DESCRIPTION	Current Budget FYE 2011	Beginning Balance 04/01/11	Monthly Activity April	Actual as of 04/30/11	Actual vs Budget FYE 2011
	MAINTENANCE EXPENSE					
xx5600	Maintenance & Repairs Buildings & Equipment	65,000	56,155	4,839	60,994	93.84%
xx5601	Maintenance & Repairs/Wells,Pipelines,Pumps/WWTP	30,000	26,853	1,266	28,118	93.73%
xx5602/5780	Collection System Maintenance	5,000	242	-	242	4.85%
xx5603	Reservoir Maintenance	7,500	7,110	-	7,110	94.80%
xx5604	Water System Maintenance	25,000	28,342	-	28,342	113.37%
xx5605	Well/Pump Repairs & Maintenance	25,000	17,811	3,360	21,171	84.68%
XX5606	Equipment Rental	5,000	694	82	775	15.50%
xx5840	Telemetry Services	20,000	13,472	14,635	28,107	140.53%
xx5890	Trash Removal	30,000	25,520	5,574	31,094	103.65%
xx5896	Vehicle Expense	15,000	16,099	947	17,047	113.64%
	Total Maintenance Expense:	227,500	192,297	30,702	222,999	98.02%
	PROFESSIONAL SERVICES EXPENSE					
xx5100	Accounting	5,000	16,317	-	16,317	326.35%
xx5120	Administrative Services	4,000	2,926	3,311	6,237	155.92%
xx5160	Audit Fees	35,000	8,402	-	8,402	24.00%
xx5200	Computer Billing	33,000	16,810	1,816	18,627	56.44%
xx5440	Engineering	1,000	-	1,755	1,755	175.50%
xx5560/65	Legal Services	24,000	30,738	725	31,463	131.10%
xx5860	Testing/Labwork	22,000	13,648	1,746	15,394	69.97%
	Total Professional Services Expense:	124,000	88,841	9,354	98,194	79.19%
	INSURANCE EXPENSE					
xx5520	Insurance	75,000	73,263	29,053	102,316	136.42%
xx5521	Workmens Comp	24,000	15,842	-	15,842	66.01%
	Total Insurance Expense:	99,000	89,106	29,053	118,159	119.35%
	PERSONNEL EXPENSE					
xx5172	Mileage Reimbursement/Auto Allowance	1,800	1,515	-	1,515	84.17%
xx5190	Board Meeting Expense	41,000	51,025	1,259	52,284	127.52%
xx5760	Salaries & Wages	1,104,223	850,755	74,587	925,342	83.80%
xx5768	Salaries & Wages off set account		(62,077)	(3,514)	(65,591)	0.00%
xx5761	Accrued Sick/Vacation	26,000	13,000	-	13,000	50.00%
xx5800	Taxes on Payroll	36,000	20,890	1,375	22,265	61.85%
xx5420	Medical Insurance Benefits	282,004	183,466	18,060	201,526	71.46%
xx5421	Calpers Retirement Benefits	217,996	149,387	14,525	163,912	75.19%
	Total Personnel Expense:	1,709,023	1,207,962	106,292	1,314,254	76.90%
	OFFICE EXPENSE					
xx5450	Equipment Rental	8,000	7,511	2,683	10,193	127.42%
xx5662	Office Supplies	30,000	16,162	819	16,981	56.60%
xx5663	Office Equipment	20,000	7,333	-	7,333	36.67%
xx5664	Office Utilities	13,000	10,161	901	11,062	85.09%
xx5665	Maintenance Agreements	16,000	7,843	469	8,312	51.95%
xx5690	Postage & Freight	13,000	8,843	-	8,843	68.02%
xx5820	Taxes on Property	3,000	2,290	-	2,290	76.35%
xx5852	Answering Service	2,500	2,190	305	2,495	99.81%
xx5858	Telephone	7,000	5,474	344	5,818	83.11%
	Total Office Expense:	112,500	67,808	5,520	73,328	65.18%

BORREGO WATER DISTRICT
Expense Budget to Actual Comparison
FYE 2011

ACCT #	DESCRIPTION	Current Budget FYE 2011	Beginning Balance 04/01/11	Monthly Activity April	Actual as of 04/30/11	Actual vs Budget FYE 2011
	UTILITIES EXPENSE					
xx5720/21/22/23/24	Pumping-Electricity	500,000	291,461	36,384	327,845	65.57%
xx5854	Cellular Phone	11,000	8,426	811	9,237	83.97%
	Total Utilities Expense:	511,000	299,887	37,195	337,082	65.97%
	DEPRECIATION EXPENSE					
xx53xx	Depreciation Expense	600,000	461,101	57,705	518,806	86.47%
	Total Depreciation Expense:	600,000	461,101	57,705	518,806	86.47%
	OTHER EXPENSE					
xx5140	Amortization Expense	16,491	12,369	1,374	13,743	83.34%
xx5555	Interest Expense-COP 2008	125,000	93,656	10,406	104,063	83.25%
xx5180	Bad Debt Expense	5,000	3,267	65	3,332	66.63%
xx5240	Conferences & Conventions	15,000	18,811	825	19,636	130.91%
xx5241	Training	8,500	1,853	843	2,697	31.73%
xx5260	Contract Labor	15,000	7,739	-	7,739	51.59%
xx5400	Dues & Subscriptions	10,000	4,396	2,370	6,766	67.66%
xx5401	Regulatory Permit Fees	60,000	41,151	686	41,837	69.73%
xx5402	Bank Fees	500	79	-	79	15.70%
xx5423	Community Relations	1,000	675	190	865	86.54%
xx5460	Fuel & Oil	54,000	37,443	4,404	41,847	77.49%
xx5680/5480/5483	Other Expense	5,000	5,932	-	5,932	118.65%
xx5681	Safety Requirements	10,000	4,581	148	4,729	47.29%
xx5700	Printing,Publications & Notices	5,000	1,012	213	1,224	24.49%
xx5895	Uniforms	8,500	4,388	372	4,760	56.00%
xx5960	Contingency Fund	83,561	5,495	-	5,495	6.58%
	Total Other Expense:	422,552	242,849	21,895	264,744	62.65%
	Total Expenses:	**3,805,575**	**2,649,850**	**297,715**	**2,947,565**	**77.45%**
	District Salaries & Wages allocated to Capital Projects:		**56,165**	**3,514**	**59,679**	
	TOTAL EXPENSES INCLUDING ALL SALARIES & WAGES:		**2,706,015**	**301,229**	**3,007,244**	
	TOTAL INCOME:		**1,914,110**	**221,329**	**2,158,365**	
	NET INCOME/(EXPENSE): (Mostly accrual basis)		**(791,905)**	**(79,901)**	**(848,879)**	
	Non Cash Income/(Expenses) included in Net Income:					
	Depreciation		**461,101**	**57,705**	**518,806**	
	Amortization of COP 2008/Interest payment		**106,025**	**11,781**	**117,806**	

BORREGO WATER DISTRICT

To: BWD Board of Directors

From: Kim Pitman

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

I.

A. Vendor disbursements paid during this period:		**$**	**241,083.91**
	Significant items:		
1	Utilities	$	37,119.23
2	CalPERS Payments	$	17,155.80
3	Employee Health Benefits	$	19,963.85
4	ACWA difference in conditions renewal	$	29,052.92
5	Contron Scada Systems-upgrade Scada Systems	$	14,634.74
B. Capital Projects Outlays (included in vendor disbursements paid above):			
6	Lift Station-MSA Consulting/TC Construction ($4,079 balance)	$	59,699.58
C. Total Professional Services for this Period (included in vendor disbursements paid above):			
Stradling, Yocca,Carlson & Rauth:	Misc. legal	$	725.00
	Total Invoice	**$**	**725.00**
Brian Brady	Review of District Staffing/Operations	$	3,000.00
	Review of Water Credit Policy	$	2,314.26
	Total Invoice	**$**	**5,314.26**
William Mills & Associates:	Stag Grant/IRWMP	$	8,125.00
	Total Invoice	**$**	**8,125.00**
Wildermuth	Professional Services	$	4,470.00
	Total Invoice	**$**	**4,470.00**
D. Payroll for this Period:			
	Gross Payroll	$	74,586.91
	Employer Payroll Taxes and ADP Fee	$	1,683.07
	Total	**$**	**76,269.98**
E. Adjustments:			
Vendor Disbursements not paid until May (accounts payable)		$	15,903.86
F. Total Cash Outlays:	**(A+D+E)**	**$**	**333,257.75**

II.	**Sources of Cash:**		
A. O & M Revenue Received	(Accrual Basis $221,328)	**$**	**208,565.75**
	Significant items: (included in O&M Revenue)		
	Montessoro Golf Course water receipts-March billing posted in April	$	19,021.00
B. Capital Revenue Received-Water Credits Purchased		**$**	**5,500.00**
III.	**Net Cash Increase (Decrease)**	**$**	**(119,192.00)**

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
01 1510 - INVENTORY CONTROL								
PACIFIC PIPELINE SUPPLY INC	1208		04/11/11	145781	INVENTORY CONTROL	283.32		
	1208		04/11/11	145798	INVENTORY CONTROL	1,721.40		
	1208		04/11/11	145852	INVENTORY CONTROL	1,176.52		
	1208		04/14/11	145828	INVENTORY CONTROL	141.01		
	1208		04/29/11	146283	INVENTORY CONTROL	1,169.40		
	1208		04/30/11	043011	INVENTORY CONTROL	360.70		
01 1712 - SUSTAINABLE WATER PROJECT-CIP								
WILLIAM R. MILLS & ASSOC	12		04/05/11	040511	PROFESSIONAL SERVICE FEES:IRWM & STAG	8,125.00		
01 1717 - SEWER SYSTEM IMPROVEMENTS-CIP								
MSA CONSULTING, INC.	9426		03/31/11	92196	PROFESSIONAL SERVICE FEES:1/1/11-3/31/11	2,850.00		
	9426		03/31/11	92197	PROFESSIONAL SERVICE FEES: SEWER LIFT STATION	180.00		
TC CONSTRUCTION COMPANY	9489		03/31/11	22983	INSTALLMENT SEWER LIFT STATION	4,563.00		
	9489		03/31/11	22993	INSTALLMENT ON SEWER LIFT STATION	52,106.58		
01 1719 - BUILDINGS/STRUCTURES-CIP								
HOME DEPOT CREDIT SERVICES	1136		04/30/11	043011	BUILDING MATERIALS SEE INVOICES FOR DETAILS	1,778.75		
01 1722 - GW MANAGEMENT PROGRAM-CIP								
DOWNEY BRAND	9535		04/14/11	409617	GWM ISSUES FEES: 3/31/11	402.15		
WILDERMUTH	9536		04/01/11	2011107	PROFESSIONAL SERVICE FEES:3-1-11/3-31-11	4,470.00		
BRIAN J. BRADY	9542		04/28/11	042811	PROFESSIONAL SERVICE FEES FOR TASK ORDER 2. BUSINESS OF WATER CREDITS	2,314.26		
01 5120 - ADMINISTRATIVE SERVICES								
BRIAN J. BRADY	9542		04/07/11	040711	REVIEW OF DISTRICT STAFFING/OPERATING	3,000.00		
01 5190 - BOARD MEETING EXPENSE								
WANDY QUINN	1623		03/31/11	033111	RECORDING SECRETARY FOR BOARD MINUTES	410.00		
	1623		04/30/11	043011	RECORDING SECRETARY SERVICES FOR BOARD APRIL 2011	360.00		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
01 5200 - COMPUTER BILLING								
DATASTREAM BUSINESS SOLUTIONS,	3043		04/22/11	4169	PROGRAMMING & SUPPORT P/C NETWORK, CMT SERVICE KEYPAD & BATTERY REPLACEMENT	1,325.87		
01 5240 - CONFERENCE/TRAVEL								
U.S.BANK CORPORATE PAYMENT SYS	3000		04/22/11	042211JR	SEE INVOICES FOR DETAILS	825.00		
01 5241 - TRAINING								
ACWA JOINT POWER INS AUTHORITY	3035		04/30/11	043011	ACWA/JPIA TRAINING CONFERENCE; JERRY, GREG & KIM TO ATTEND AUGUST 9 & 10,2011	450.00		
AWWA	9450		04/26/11	02037	CROSS CONNECTION RENEWAL FEE CODY COX	80.00		
CDPH-OCP	9485		04/07/11	040711	CERT. RENEWAL FOR DISTRIBUTION II LICENSE-CODY COX	60.00		
JERRY ROLWING	9543		06/05/11	050611	PER DIEM FOR DISTRICT TRAVEL	205.00		
01 5400 - DUES & SUBSCRIPTIONS								
DLT SOLUTIONS, INC.	9801		04/06/11	642622	AUTOCAD SUBSCRIPTION RENEWAL:5/26/11-5/25/12	2,369.91		
01 5401 - FEES								
UNDERGROUND SERVICE ALERT	1023		04/30/11	043011	DIG ALERTS 9 TICKETS	13.50		
COUNTY OF SAN DIEGO	9054		04/01/11	204659	ENVIRONMENTAL HEALTH RENEWAL FEE 4340 BORREGO SPRINGS RD	306.00		
	9054		04/01/11	204660	ENVIRONMENTAL HEALTH RENEWAL FEE 2201 DIGUENO RD	306.00		
CDPH-OCP	9485		05/03/11	043011	RENEWAL-CA DEPT OF PUBLIC HEALTH TREATMENT 2 CERT.-JERRY ROLWING	60.00		
01 5420 - EMPLOYEE MEDICAL BENEFITS								
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	7,592.24		
AFLAC	1266		04/11/11	826885	EMPLOYEE SUPPLEMENTAL MEDICAL BENEFITS	587.84		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
01 5421 - EMPLOYEE RETIREMENT BENEFITS								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	6,524.35		
01 5423 - COMMUNITY RELATIONS								
DAVID BORN	9432		04/01/11	106660	TOWN HALL MEETING VIDEO TAPEING SERVICE	190.00		
01 5440 - ENGINEERING SERVICES								
DYNAMIC CONSULTING ENGINEERS	1447		04/30/11	220211.0	CONSULTING FEES AS NEEDED FOR ENGINEERING ASSISTANCE	1,755.00		
01 5450 - EQUIPMENT RENTAL-OFFICE								
FP MAILING SOLUTIONS	1200		04/01/11	564900	QTRLY INSTALLMENT POSTAGE METER 4/1/11-6/30/11	120.55		
KONICA MINOLTA	9486		05/01/00	55619341	INSTALLMENT ON BIZHUB COPIER 04/25/11-05/24/11	1,306.47		
	9486		04/03/11	55494327	INSTALLMENT ON COPIER	1,255.52		
01 5460 - FUEL & OIL								
KENNY STRICKLAND, INC.	1067		04/07/11	040711	FUEL FOR CREW VEHICLES	285.69		
	1067		04/30/11	043011	FUEL FOR CREW TRUCKS-APRIL 2011	154.72		
01 5520 - INSURANCE								
ACWA JOINT POWER INS AUTHORITY	3035		04/20/11	042011	INSURANCE FOR: 05/06/11 TO 05/06/12	29,052.92		
01 5560 - LEGAL SERVICES								
STRADLING,YOCCA,CARLSON,RAUTH	1020		04/29/11	263656	PROFESSIONAL SERVICE FEES. SEE INVOICE FOR DESCRIPTION OF CHARGES	725.00		
01 5600 - R & M BUILDINGS & EQUIPMENT								
NAPA AUTO PARTS INC	1016		04/30/11	043011	PARTS & MATERIALS SEE INVOICES FOR DETAILS	113.06		
JAMES G HORMUTH/DBA TRUE VALUE	1022		04/30/11	043011	SUPPLIES FOR MAINT/ REPAIRS.SEE INVOICES FOR DETAILS	112.62		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
EMPIRE SOUTHWEST	1094		04/21/11	1906897	SCHEDULED BACKHOE SERVICE FOR 416C	1,313.27		
	1094		04/21/11	1906898	SCHEDULED BACKHOE SERVICE FOR 420D	891.09		
AIRGAS - WEST	1132		03/31/11	10301267	ACETYLENE GAS	312.12		
	1132		04/27/11	10308475	CYLINDER ADAPTER SUPPLIES FOR CREW	132.81		
HOME DEPOT CREDIT SERVICES	1136		04/30/11	043011	BUILDING MATERIALS SEE INVOICES FOR DETAILS	219.71		
DEBBIE MORETTI	1222		04/27/11	13173	PEST CONTROL-DISTRICT OFFICE-APRIL 2011	32.00		
	1222		04/30/11	043011	PEST CONTROL ALL FACILITIES	78.00		
U.S.BANK CORPORATE PAYMENT SYS	3000		04/22/11	042211GH	SEE INVOICES FOR DETAILS	732.96		
VISTA VILLAS HOA	9541		04/22/11	042211	REIMBURSE CUSTOMER FOR BROKEN PIPE	145.20		
01 5606 - EQUIPMENT RENTAL-MAINTENANCE								
SHANK AND KRETZ INC	1018		04/04/11	7	WELDING TANK RENTAL-APRIL 2011	81.50		
01 5662 - OFFICE SUPPLIES								
WAXIE SANITARY SUPPLY	53		04/06/11	72557140	OFFICE SUPPLIES	105.05		
BORREGO SPRINGS BOTTLED WATER	1003		04/30/11	043011	BOTTLED WATER FOR WWTP OFFICE & MAINT. YARD OFFICE	49.20		
JAMES G HORMUTH/DBA TRUE VALUE	1022		04/30/11	043011	SUPPLIES FOR MAINT/ REPAIRS.SEE INVOICES FOR DETAILS	17.67		
QUILL CORPORATION	1033		04/01/11	3424912	OFFICE SUPPLIES SEE INVOICE FOR DETAILS	19.78		
	1033		04/11/11	3603934	OFFICE SUPPLIES SEE INVOICE FOR DETAILS	239.44		
	1033		04/22/11	3854208	OFFICE SUPPLIES SEE INVOICE FOR DETAILS	9.89		
	1033		04/22/11	3862294	OFFICE SUPPLIES SEE INVOICE FOR DETAILS	315.20		
DEPT. 56 - 0000059040	1059		04/29/11	042911	OFFICE SUPPLIES	55.85		
01 5664 - OFFICE UTILITIES								
SAN DIEGO GAS & ELECTRIC	1065		04/20/11	042011H	6159 441 279 1 2473 STIRRUP RD LUGO BLDG.	21.64		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
	1065		04/20/11	042011L	6954 509 423 8 STIRRUP RD E N PALM CYN OLD SHOP	9.56		
	1065		04/20/11	042011M	2700 523 335 7 806 PALM CANYON OFFICE/MAINT SHOP	622.75		
ADT	9385		04/09/11	45411164	ALARM SERVICE 05/01/11-07/31/11	169.27		
01 5665 - MAINTENANCE AGREEMENTS								
FIREFORCE INC.	9544		05/04/11	1715	ANNUAL FIRE EXTINGUISHER SERVICE	468.82		
01 5681 - SAFETY SUPPLIES								
BORREGO COMMUNITY HEALTH FND	9422		04/18/11	435923	REQUIRED HEP-B SHOT FOR EMPLOYEE, TROY DEPRIEST	137.00		
01 5700 - PRINTING,PUBLICATION & NOTICES								
BORREGO SUN	1037		03/31/11	1257	ADVERTISING FEB & MAR 2011	212.50		
01 5852 - ANSWERING SERVICE								
ABILITY ANSWERING/PAGING SER	1109		04/14/11	041411	ANSWERING & PAGING SERVICE APRIL 2011	304.96		
01 5854 - CELLULAR PHONE								
AT&T MOBILITY	61		04/02/11	5940611	MONTHLY SERVICE CELL PHONES	642.94		
VERIZON WIRELESS	1100		04/26/11	4180705	EMERGENCY PHONES FOR POWER OUTAGES	83.83		
	1100		04/30/11	97308667	EMERGENCY CELL PHONES FOR POWER OUTAGES	83.79		
01 5858 - TELEPHONE								
AT CONFERENCE	9466		04/30/11	276474	ADMIN CONFERENCE USE-04/11/11	4.01		
AT&T-CALNET 2	9529		04/07/11	040711	MONTHLY CHARGES APRIL 2011	44.58		
	9529		04/22/11	2309621	MONTHLY SERVICE MAIN OFFICE # 760-767-5806	164.73		
	9529		04/22/11	2309622	MONTHLY SERVICE MAINTENANCE BLDG. 760-767-5559	94.38		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
01 5860 - TESTING/LAB WORK								
E.S. BABCOCK & SONS,INC.	9255		04/28/11	042811	WATER SAMPLES FROM ALL WELLS APRIL 2011	120.00		
01 5890 - TRASH REMOVAL								
ALLIED WASTE SERVICES #467	3034		04/30/11	01260729	3-0467-0701728 4861 BORREGO SPRINGS RD 2475 STIRRUP RD BASIC SERVICE	272.79		
	3034		04/30/11	043011B	3-0467-0701728 4861 BORREGO SPRINGS RD 2475 STIRRUP RD BASIC SERVICE	272.79		
01 5895 - UNIFORMS								
AMERICAN LINEN INC.	1001		04/30/11	043011	UNIFORMS FOR CREW	371.54		
01 5896 - VEHICLE EXPENSE								
DEPARTMENT OF MOTOR VEHICLES	55		04/30/11	67J18H	VEHICAL REGISTRATION RENEWAL-OFF HIGHWAY VEHICLE;LICENSE 67J18H	52.00		
	55		04/30/11	67J18HA	VEHICAL REGISTRATION RENEWAL-OFF HIGHWAY VEHICLE;LICENSE 67J18H	-52.00		
NAPA AUTO PARTS INC	1016		04/30/11	043011	PARTS & MATERIALS SEE INVOICES FOR DETAILS	120.68		
JAMES G HORMUTH/DBA TRUE VALUE	1022		04/30/11	043011	SUPPLIES FOR MAINT/ REPAIRS.SEE INVOICES FOR DETAILS	69.62		
DESERT TIRE CENTER	1113		04/18/11	11883	CHEVY COLORADO LICENSE #1292455 BASIC SERVICE	49.95		
	1113		04/19/11	11902	CHEVY PICKUP LICENSE #1251968 TIRE SERVICE	197.10		
	1113		04/21/11	11936	FORD F-150 LICENSE #1252048 BASIC SERVICE TIRE ROTATION	68.38		
	1113		04/21/11	11968	GMC CANYON LICENSE #1252455 BRAKE SERVICE	191.95		
	1113		04/21/11	11982	CHEVY LICENSE #:1251968 BASIC SERVICE	49.95		
US.BANK CORPORATE PAYMENT SYS	3000		04/22/11	042211GH	SEE INVOICES FOR DETAILS	23.99		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
	3000		04/22/11	042211JR	SEE INVOICES FOR DETAILS	139.94		
02 5420 - EMPLOYEE MEDICAL BENEFITS								
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	2,100.20		
02 5421 - RETIREMENT BENEFIT								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	1,804.79		
02 5460 - FUEL & OIL								
KENNY STRICKLAND, INC.	1067		04/07/11	040711	FUEL FOR CREW VEHICLES	571.39		
	1067		04/30/11	043011	FUEL FOR CREW TRUCKS-APRIL 2011	309.44		
02 5605 - R & M WELL/PUMP								
PUMP CHECK	9517		04/13/11	4210	PUMP EFFICIENCY ANALYSIS FOR ID1 & ID4 PUMPS & BOOSTERS	2,100.00		
02 5720 - PUMPING - ELECTRICITY								
SAN DIEGO GAS & ELECTRIC	1065		04/18/11	041811D	6160 624 622 9 951 RANGO WAY ID1-16	6,242.96		
	1065		04/19/11	041911N	1614 196 067 6 4275 YAQUI PASS RD BOOSTER STATION 2	3,018.58		
	1065		04/19/11	041911O	1614 489 405 4 5037 BORREGO SPRINGS RD ID1-8	21.38		
	1065		04/19/11	041911Q	3864 202 758 1 2510 RAMS HILL DR BOOSTER STATION 1	219.43		
	1065		04/19/11	041911R	6114 522 473 7 3352 BORREGO VALLEY RD ID1-10	4,328.42		
	1065		04/19/11	041911T	9489 482 054 6 5065 BORREGO SPRINGS RD ID1-2	16.28		
	1065		04/19/11	041911U	8364 482 055 9 5073 BORREGO SPRINGS RD ID1-1	16.45		
	1065		04/19/11	041911V	7285 625 351 8 4201 BORREGO SPRINGS RD ID1-10	3,079.27		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
02 5840 - TELEMETRY SERVICES								
VICTOR JAMES VALENTI/DBA	1027		04/22/11	10548	SCADA COMPUTER PROGRAM BACKUP ID1,ID2 & ID4	545.60		
	1027		04/22/11	10549	SCADA COMPUTER PROGRAM BACKUP FOR ID1 & ID4	468.30		
	1027		04/22/11	10550	SCADA COMPUTER BACKUP FOR ID1,ID6 & ID4	694.20		
	1027		04/22/11	10552	SCADA COMPUTER PROGRAMMING FOR ALL OF ID1.	1,190.73		
03 5180 - BAD DEBT EXPENSE								
RECORDER/COUNTY CLERK'S OFFICE	9387		04/25/11	042511	LIEN RELEASE: MCGACHAN-3-0126-3 ROWE-6-3500-1	26.00		
03 5420 - EMPLOYEE MEDICAL BENEFITS								
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	2,798.93		
03 5421 - RETIREMENT BENEFIT								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	2,405.24		
03 5460 - FUEL & OIL								
KENNY STRICKLAND, INC.	1067		04/07/11	040711	FUEL FOR CREW VEHICLES	285.69		
	1067		04/30/11	043011	FUEL FOR CREW TRUCKS-APRIL 2011	154.72		
04 5180 - BAD DEBT EXPENSE								
RECORDER/COUNTY CLERK'S OFFICE	9387		04/12/11	041211	LIEN RELEASE: RUIZ-7-4130-2 DELGADO-5-1641-0	26.00		
	9387		04/22/11	042211	LIEN RELEASE; COUTURE-4-0370-4	13.00		
04 5420 - EMPLOYEE MEDICAL BENEFITS								
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	3,735.24		
04 5421 - RETIREMENT BENEFIT								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	3,209.85		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
04 5460 - FUEL & OIL								
KENNY STRICKLAND, INC.	1067		04/07/11	040711	FUEL FOR CREW VEHICLES	1,142.77		
	1067		04/30/11	043011	FUEL FOR CREW TRUCKS-APRIL 2011	618.88		
04 5605 - R & M WELL/PUMP								
PUMP CHECK	9517		04/13/11	4210	PUMP EFFICIENCY ANALYSIS FOR ID1 & ID4 PUMPS & BOOSTERS	1,260.00		
04 5720 - PUMPING - ELECTRICITY								
SAN DIEGO GAS & ELECTRIC	1065		04/19/11	041911C	6160 427 632 7 COUNTRY CLUB RD ID4-2	456.08		
	1065		04/19/11	041911F	4240 011 405 2 301 SLASH M RD COUNTRY CLUB TANK	10.18		
	1065		04/19/11	041911G	5035 410 733 7 3528 COUNTRY CLUB RD ID4-10	2,048.29		
	1065		04/20/11	042011	3909 503 745 7 1775 BORREGO SPRINGS RD ID4-4	5,344.39		
	1065		04/20/11	042011E	2881 512 118 8 1111 INDIAN HEAD RANCH RD ID4-18	899.16		
	1065		04/20/11	042011K	9534 569 937 1 2201 DIEGUENO RD ID4-11	3,809.61		
04 5840 - TELEMETRY SERVICES								
VICTOR JAMES VALENTI/DBA	1027		04/22/11	10548	SCADA COMPUTER PROGRAM BACKUP ID1,ID2 & ID4	545.60		
	1027		04/22/11	10549	SCADA COMPUTER PROGRAM BACKUP FOR ID1 & ID4	260.80		
	1027		04/22/11	10550	SCADA COMPUTER BACKUP FOR ID1,ID6 & ID4	320.70		
	1027		04/22/11	10551	SCADA COMPUTER PROGRAMMING ALL OF ID4	9,881.00		
04 5860 - TESTING/LAB WORK								
E.S. BABCOCK & SONS,INC.	9255		04/28/11	042811	WATER SAMPLES FROM ALL WELLS APRIL 2011	280.00		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
05 5420 - EMPLOYEE MEDICAL BENEFITS								
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	399.28		
05 5421 - RETIREMENT BENEFIT								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	343.12		
05 5460 - FUEL & OIL								
KENNY STRICKLAND, INC.	1067		04/07/11	040711	FUEL FOR CREW VEHICLES	142.85		
	1067		04/30/11	043011	FUEL FOR CREW TRUCKS-APRIL 2011	77.36		
05 5600 - R & M BUILDINGS & EQUIPMENT								
DEBBIE MORETTI	1222		04/30/11	043011	PEST CONTROL ALL FACILITIES	72.00		
05 5601 - M & R SEWER TREATMENT PLANT								
BINGHAM EQUIPMENT CO.	1029		04/04/11	P58727	CASE TRACTOR PARTS ID-2 EQUIPMENT	338.62		
	1029		04/27/11	P59345	CASE TRACTOR PARTS ID-2 EQUIPMENT	92.11		
HOME DEPOT CREDIT SERVICES	1136		04/30/11	043011	BUILDING MATERIALS SEE INVOICES FOR DETAILS	237.08		
RSIS,INC.	9481		04/13/11	5989	ANNUAL CALIBRATION ID-2	132.94		
05 5662 - OFFICE SUPPLIES								
BORREGO SPRINGS BOTTLED WATER	1003		04/30/11	043011	BOTTLED WATER FOR WWTP OFFICE & MAINT. YARD OFFICE	6.60		
05 5720 - PUMPING - ELECTRICITY								
SAN DIEGO GAS & ELECTRIC	1065		04/19/11	041911P	2739 492 349 3 4861 BORREGO SPRINGS RD TREATMENT PLANT	2,425.81		
05 5858 - TELEPHONE								
AT&T-CALNET 2	9529		04/22/11	2309619	MONTHLY SERVICE WWTP FAX #760-767-4230	36.04		
06 5420 - EMPLOYEE MEDICAL BENEFITS								

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	399.28		
06 5421 - RETIREMENT BENEFIT								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	343.12		
06 5460 - FUEL & OIL								
KENNY STRICKLAND, INC.	1067		04/07/11	040711	FUEL FOR CREW VEHICLES	142.85		
	1067		04/30/11	043011	FUEL FOR CREW TRUCKS-APRIL 2011	77.36		
06 5601 - R & M WWTP								
RSIS,INC.	9481		04/13/11	5989	ANNUAL CALIBRATION ID-2	132.93		
06 5720 - PUMPING - ELECTRICITY								
SAN DIEGO GAS & ELECTRIC	1065		04/19/11	041911I	3607 425 233 9 2990 BORREGO VALLEY RD TC LIFT STATION-ID5	220.52		
06 5840 - TELEMETRY SERVICES								
VICTOR JAMES VALENTI/DBA	1027		04/22/11	10548	SCADA COMPUTER PROGRAM BACKUP ID1,ID2 & ID4	561.81		
	1027		04/22/11	10550	SCADA COMPUTER BACKUP FOR ID1,ID6 & ID4	166.00		
10 5420 - EMPLOYEE BENEFITS								
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	399.28		
10 5421 - RETIREMENT BENEFIT								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	343.12		
10 5601 - R & M SEWER								
DATEK ANALYTICAL LABS,INC.	9410		04/08/11	1126362	SAMPLES & TESTING	199.00		
RSIS,INC.	9481		04/13/11	5989	ANNUAL CALIBRATION ID-2	132.93		
10 5720 - PUMPING - ELECTRICITY								

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VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
SAN DIEGO GAS & ELECTRIC	1065		04/19/11	041911S	9525 627 944 5 2989 BORREGO VALLEY RD PACKAGE PLANT	721.53		
10 5860 - TESTING/LAB WORK-SEWER								
E.S. BABCOCK & SONS,INC.	9255		04/28/11	042811	WATER SAMPLES FROM ALL WELLS APRIL 2011	1,140.00		
10 5890 - TRASH REMOVAL								
ALLIED WASTE SERVICES #467	3034		04/30/11	043011C	3-0467-0017715 2990 BORREGO VALLEY RD BASIC SERVICE	196.41		
	3034		04/30/11	1259757	3-0467-0017715 2990 BORREGO VALLEY RD BASIC SERVICE	196.41		
14 5420 - EMPLOYEE MEDICAL BENEFITS								
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	439.20		
14 5421 - RETIREMENT BENEFIT								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	377.43		
14 5460 - FUEL & OIL								
KENNY STRICKLAND, INC.	1067		04/07/11	040711	FUEL FOR CREW VEHICLES	142.85		
	1067		04/30/11	043011	FUEL FOR CREW TRUCKS-APRIL 2011	77.36		
14 5600 - MAINTENANCE & REPAIRS								
HIGH TECH IRRIGATION,INC.	44		04/29/11	212730	IRRIGATION PARTS FOR CLUB CIRCLE GOLF	645.21		
TURF STAR, INC.	9425		04/26/11	6704827	FAIRWAY MOWER PARTS FOR CLUB CIRCLE GOLF	89.13		
14 5720 - PUMPING - ELECTRICITY								
SAN DIEGO GAS & ELECTRIC	1065		04/19/11	041911A	6114 527 629 9 TILTING T DR E/S MKR CLUB CIRCLE GOLF	9.56		
	1065		04/19/11	041911B	1614 548 936 7 W CLUB CIRCLE S.1E CLUB CIRCLE GOLF	9.56		

VENDOR NAME	VEND #	PO #	INV DATE	INV #	DESCRIPTION	AMOUNT	ID	NUMBER
14 5896 - VEHICLE EXPENSE								
NAPA AUTO PARTS INC	1016		04/30/11	043011	PARTS & MATERIALS SEE INVOICES FOR DETAILS	35.91		
15 5420 - EMPLOYEE MEDICAL BENEFITS								
ACWA HEALTH BENEFITS AUTHORITY	1000		04/30/11	043011	EMPLOYEE BENEFITS 6/1/2011-7/1/2011	2,100.20		
15 5421 - RETIREMENT BENEFIT								
PUBLIC EMP'S RETIREMENT SYSTEM	3011		04/30/11	043011	EMPLOYEE RETIREMENT SYSTEM-04/01/11-04/30/11	1,804.78		
15 5460 - FUEL & OIL								
KENNY STRICKLAND, INC.	1067		04/07/11	040711	FUEL FOR CREW VEHICLES	142.85		
	1067		04/30/11	043011	FUEL FOR CREW TRUCKS-APRIL 2011	77.37		
15 5720 - PUMPING - ELECTRICITY								
SAN DIEGO GAS & ELECTRIC	1065		04/19/11	041911J	4785 979 020 3 3003 LOFTER DR ID5-5	3,567.82		
15 5860 - TESTING/LAB WORK								
E.S. BABCOCK & SONS,INC.	9255		04/28/11	042811	WATER SAMPLES FROM ALL WELLS APRIL 2011	40.00		
15 5890 - TRASH REMOVAL								
ALLIED WASTE SERVICES #467	3034		04/30/11	043011	3-0467-0007554 3155 HONOR COURT BASIC SERVICE	2,317.62		
	3034		04/30/11	1259496	3-0467-0007554 3155 HONOR COURT BASIC SERVICE	2,317.62		
***** GRAND TOTAL FOR 176 DISTRIBUTIONS						241,083.91		

DISTRIBUTION SUMMARY

G/L ACCOUNT#	DESCRIPTION	AMOUNT
01 1510	INVENTORY CONTROL	4,852.35
01 1712	SUSTAINABLE WATER PROJECT-CIP	8,125.00
01 1717	SEWER SYSTEM IMPROVEMENTS-CIP	59,699.58
01 1719	BUILDINGS/STRUCTURES-CIP	1,778.75
01 1722	GW MANAGEMENT PROGRAM-CIP	7,186.41
01 5120	ADMINISTRATIVE SERVICES	3,000.00
01 5190	BOARD MEETING EXPENSE	770.00
01 5200	COMPUTER BILLING	1,325.87
01 5240	CONFERENCE/TRAVEL	825.00
01 5241	TRAINING	795.00
01 5400	DUES & SUBSCRIPTIONS	2,369.91
01 5401	FEES	685.50
01 5420	EMPLOYEE MEDICAL BENEFITS	8,180.08
01 5421	EMPLOYEE RETIREMENT BENEFITS	6,524.35
01 5423	COMMUNITY RELATIONS	190.00
01 5440	ENGINEERING SERVICES	1,755.00
01 5450	EQUIPMENT RENTAL-OFFICE	2,682.54
01 5460	FUEL & OIL	440.41
01 5520	INSURANCE	29,052.92
01 5560	LEGAL SERVICES	725.00
01 5600	R & M BUILDINGS & EQUIPMENT	4,082.84
01 5606	EQUIPMENT RENTAL-MAINTENANCE	81.50
01 5662	OFFICE SUPPLIES	812.08
01 5664	OFFICE UTILITIES	823.22
01 5665	MAINTENANCE AGREEMENTS	468.82
01 5681	SAFETY SUPPLIES	137.00
01 5700	PRINTING,PUBLICATION & NOTICES	212.50
01 5852	ANSWERING SERVICE	304.96
01 5854	CELLULAR PHONE	810.56
01 5858	TELEPHONE	307.70
01 5860	TESTING/LAB WORK	120.00
01 5890	TRASH REMOVAL	545.58
01 5895	UNIFORMS	371.54
01 5896	VEHICLE EXPENSE	911.56
02 5420	EMPLOYEE MEDICAL BENEFITS	2,100.20
02 5421	RETIREMENT BENEFIT	1,804.79
02 5460	FUEL & OIL	880.83
02 5605	R & M WELL/PUMP	2,100.00
02 5720	PUMPING - ELECTRICITY	16,942.77
02 5840	TELEMETRY SERVICES	2,898.83
03 5180	BAD DEBT EXPENSE	26.00
03 5420	EMPLOYEE MEDICAL BENEFITS	2,798.93
03 5421	RETIREMENT BENEFIT	2,405.24
03 5460	FUEL & OIL	440.41
04 5180	BAD DEBT EXPENSE	39.00
04 5420	EMPLOYEE MEDICAL BENEFITS	3,735.24
04 5421	RETIREMENT BENEFIT	3,209.85
04 5460	FUEL & OIL	1,761.65
04 5605	R & M WELL/PUMP	1,260.00
04 5720	PUMPING - ELECTRICITY	12,567.71
04 5840	TELEMETRY SERVICES	11,008.10
04 5860	TESTING/LAB WORK	280.00

DISTRIBUTION SUMMARY

G/L ACCOUNT#	DESCRIPTION	AMOUNT
05 5420	EMPLOYEE MEDICAL BENEFITS	399.28
05 5421	RETIREMENT BENEFIT	343.12
05 5460	FUEL & OIL	220.21
05 5600	R & M BUILDINGS & EQUIPMENT	72.00
05 5601	M & R SEWER TREATMENT PLANT	800.75
05 5662	OFFICE SUPPLIES	6.60
05 5720	PUMPING - ELECTRICITY	2,425.81
05 5858	TELEPHONE	36.04
06 5420	EMPLOYEE MEDICAL BENEFITS	399.28
06 5421	RETIREMENT BENEFIT	343.12
06 5460	FUEL & OIL	220.21
06 5601	R & M WWTP	132.93
06 5720	PUMPING - ELECTRICITY	220.52
06 5840	TELEMETRY SERVICES	727.81
10 5420	EMPLOYEE BENEFITS	399.28
10 5421	RETIREMENT BENEFIT	343.12
10 5601	R & M SEWER	331.93
10 5720	PUMPING - ELECTRICITY	721.53
10 5860	TESTING/LAB WORK-SEWER	1,140.00
10 5890	TRASH REMOVAL	392.82
14 5420	EMPLOYEE MEDICAL BENEFITS	439.20
14 5421	RETIREMENT BENEFIT	377.43
14 5460	FUEL & OIL	220.21
14 5600	MAINTENANCE & REPAIRS	734.34
14 5720	PUMPING - ELECTRICITY	19.12
14 5896	VEHICLE EXPENSE	35.91
15 5420	EMPLOYEE MEDICAL BENEFITS	2,100.20
15 5421	RETIREMENT BENEFIT	1,804.78
15 5460	FUEL & OIL	220.22
15 5720	PUMPING - ELECTRICITY	3,567.82
15 5860	TESTING/LAB WORK	40.00
15 5890	TRASH REMOVAL	4,635.24
		241,083.91

BORREGO WATER DISTRICT
CAPITAL BUDGET TO ACTUAL COMPARISONS
FYE 2011

DESCRIPTION OF ELEMENT/PROJECT	BUDGET FYE 2010	BUDGET FYE 2011	PREVIOUS YEAR BALANCE BR FWRD	Beginning Balance 4/1/2011	Monthly Activity April	Actual as of 4/30/2011	ACTUAL VS BUDGET
1712 - SUSTAINABLE WATER PROGRAM							
Total 1712 for FYE-10:	$ 1,413,000	$ -	$ 626,301	$ 833,551	$ 8,494	$ 842,045	59.59%
1714 - WATER DISTRIBUTION SYSTEM IMPROVEMENTS							
Total 1714 for FYE-11:	$ 254,000	$ 65,000	$ -	$ 31,100	$ 4,449	$ 35,549	54.69%
1715 - NEW PRODUCTION WELLS AND UPGRADES							
Total 1715 for FYE-11:	$ 875,000	$ 95,000	$ -	$ -	$ -	$ -	0.00%
1716 - NEW RESERVOIRS							
Total 1716 for FYE-10:	$ 3,003,500	$ -	$ 270,341	$ 287,253	$ -	$ 287,253	9.56%
1717 - SEWER SYSTEM IMPROVEMENTS							
Total 1717 for FYE-11:	$ 584,000	$ 496,000	$ 101,533	$ 621,476	$ 59,700	$ 681,175	137.33%
1719 - BUILDINGS/STRUCTURES							
Total 1719 for FYE-11:	$ 150,000	$ 100,000	$ -	$ 7,401	$ 2,779	$ 10,179	10.18%
1721 - DISTRICT FEE STUDY							
Total 1721 for FYE-11:	$ 70,000	$ 30,000	$ -	$ -	$ -	$ -	0.00%
1722 - GROUNDWATER MANAGEMENT PROGRAM							
Total 1722 for FYE-11:	$ 375,000	$ 175,000	$ 332,761	$ 515,149	$ 7,186	$ 522,336	298.48%
TOTAL C.I.P. COSTS TO DATE:				$ 2,295,930	$ 82,608	$ 2,378,537	

02-SUSTAINABLE WATER PROGRAM
FYE 2011
ACCT #011712

DATE	DESCRIPTION	20901 S.E. FEASIBILITY STUDY	20904 CLARK LAKE PROJECT CIP	CLARK LAKE PROJECT STAFF SUPPORT CIP	20905 S.E. TRANS LINE SURVEY CIP	S.E. TRANS LINE SURVEY STAFF SUPPORT CIP	20908 BOR BASIN PLAN/IRWMP REIMB BY GRANT	STAFF SUPPORT BOR BASIN PLAN/IRWMP REIMB BY GRANT	TOTALS
	BALANCE BROUGHT FORWARD-FYE 2010	$ 89,122.53	$ 293,493.19	$ 73,388.24	$ 56,716.59	$ 58,851.66	$ 25,062.50	$ 29,666.69	$ 626,301.40
07/30/10	Brian Polley Surveying-Clark Lake		10,315.73						10,315.73
07/30/10	Brian Polley Surveying-Clark Lake		6,102.48						6,102.48
07/30/10	William Mills Consulting-IRWM						3,125.00		3,125.00
08/24/10	William Mills Consulting-IRWM						6,062.50		6,062.50
08/31/10	William Mills Consulting-IRWM						7,187.50		7,187.50
09/30/10	William Mills Consulting-IRWM						10,562.50		10,562.50
09/30/10	Brian Polley Surveying-Clark Lake		142.50						142.50
09/30/10	Brian Polley Surveying-SE Extension				142.50				142.50
09/30/10	Brian Polley Surveying-Clark Lake		4,923.25						4,923.25
09/30/10	Record Staff time-Rolwing/Williamson							5,589.04	5,589.04
10/26/10	Brian Polley Surveying-Clark Lake		56,382.61						56,382.61
10/31/10	Eco Layers--IRWMP hosting						1,200.00		1,200.00
10/31/10	Stradling, Yocca, Carslon, Rauth-IRWMP						525.00		525.00
10/31/10	Record Staff time-Rolwing/Williamson							6,881.52	6,881.52
11/23/10	William Mills Consulting-IRWM						5,205.66		5,205.66
11/30/10	Record Staff time-Rolwing/Williamson							7,250.80	7,250.80
12/31/10	Brian Polley-Clark Lake		20,867.01						20,867.01
12/31/10	Brian Polley-Clark Lake		3,735.00						3,735.00
12/31/10	William Mills Consulting-IRWM						5,375.00		5,375.00
12/31/10	William Mills Consulting-IRWM						562.50		562.50
12/31/10	Record Staff time-Rolwing/Williamson							3,692.80	3,692.80
01/15/11	Record Staff time-Rolwing							923.20	923.20
01/31/11	Record Staff time-Rolwing							923.20	923.20
01/31/11	Brian Polley Surveying-Clark Lake		8,245.00						8,245.00
01/31/11	William Mills Consulting-IRWM						8,250.00		8,250.00
01/31/11	Eco Layers--IRWMP hosting						1,200.00		1,200.00
01/31/11	Balance Transfer from 01-2402						(171.00)		(171.00)
01/31/11	William Mill Consulting from 1723						750.00		750.00
02/15/11	Record Staff time-Rolwing							923.20	923.20
02/28/11	Record Staff time-Rolwing							923.20	923.20
02/28/11	Babcock & Sons-water samples		495.00						495.00
02/28/11	Brian Polley-Clark Lake		13,187.89						13,187.89
02/28/11	County of San Diego-Record Survey		1,786.00						1,786.00
03/15/11	Record Staff time-Rolwing							923.20	923.20
03/31/11	Willimam Mills Consulting-IRWM						2,875.00		2,875.00
03/31/11	Record Staff Time-Rolwing							184.64	184.64
04/15/11	Record Staff Time-Rolwing							184.64	184.64
04/27/11	Willimam Mills Consulting-IRWM						8,125.00		8,125.00
04/30/11	Record Staff Time-Rolwing							184.64	184.64
									842,045.11
	TOTAL:	$ 89,122.53	$ 419,675.66	$ 73,388.24	$ 56,859.09	$ 58,851.66	$ 85,897.16	$ 58,250.77	$ 842,045.11
	PROGRAM CAP FYE 2010:	$ 200,000.00	$ 265,611.76	$ 73,388.24	$ 150,000.00	$ 89,000.00	$ 425,000.00	$ 75,000.00	$ 1,278,000.00
	PROGRAM CAP FYE 2011:	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	PROGRAM BALANCE TO DATE:	$ 110,877.47	$ (154,063.90)	$ -	$ 93,140.91	$ 30,148.34	$ 339,102.84	$ 16,749.23	$ 435,954.89

WATER DISTRIBUTION SYSTEM IMPROVEMENTS

FYE 2011

ACCT #1714

DATE	DESCRIPTION	40902 5 NEW FIRE HYDRANTS	40905 MONTEZUMA DR. PROJECT	40905 MONTEZUMA DR. PROJECT STAFF TIME	TOTALS
					-
12/16/10	Grangettos Farm & Garden Supply-WO 68-10	-	153.99		153.99
12/31/10	Pacific Pipeline Supply-WO 68-10		10,744.50		10,744.50
12/31/10	Pacific Pipeline Supply-WO 68-10		2,244.60		2,244.60
12/31/10	Pacific Pipeline Supply-WO 68-10		10,689.47		10,689.47
01/31/11	Pacific Pipeline Supply-WO 68-10		3,171.15		3,171.15
02/15/11	Record Staff time-Montezuma pipeline-WO 68-10			4,096.32	4,096.32
03/15/11	Record Staff time-Montezuma pipeline-WO 68-10			3,808.69	3,808.69
03/17/11	Deanza Ready Mix-WO 68-10		346.43		346.43
03/31/11	Deanza Ready Mix-WO 68-10		293.57		293.57
					-
					35,548.72
	TOTAL:	$ -	$ 27,643.71	$ 7,905.01	$ 35,548.72
					$ -
	PROGRAM CAP 2011:	$ 15,000.00	$ 35,000.00	$ 15,000.00	$ 50,000.00
					$ -
	PROGRAM BALANCE TO DATE:	$ 15,000.00	$ 7,356.29	$ 7,094.99	$ 22,356.29

NEW RESERVOIRS
FYE 2011
ACCT #1716

DATE	DESCRIPTION	60901 WILCOX RESERVOIR	Staff Support WILCOX RESERVOIR	60902 RESERVOIR 1000' ELEVATION	Staff Support RESERVOIR 1000' ELEVATION	6090500 INDIANHEAD TANK	Staff Support INDIANHEAD TANK	TOTALS
	BALANCE BROUGHT FORWARD-FYE 2010	$ 141,864.75	$ 14,546.98	$ 11,883.02	$ 2,229.17	$ 90,900.29	$ 8,916.72	$ 270,340.93
07/30/10	Brian Polley Surveying-Wilcox	2,407.50						$ 2,407.50
07/30/10	Brian Polley Surveying-Wilcox	237.50						$ 237.50
07/30/10	Brian Polley Surveying-Indian Head					2,902.50		$ 2,902.50
09/30/10	Brian Polley Surveying-Indian Head					47.50		$ 47.50
09/30/10	Brian Polley Surveying-Indian Head					2,707.50		$ 2,707.50
09/30/10	Brian Polley Surveying-Wilcox	1,350.00						$ 1,350.00
09/30/10	Brian Polley Surveying-Wilcox	7,212.00						$ 7,212.00
09/30/10	Brian Polley Surveying-Reservoir elevation			47.50				$ 47.50
								$ -
								287,252.93
	TOTAL:	$ 153,071.75	$ 14,546.98	$ 11,930.52	$ 2,229.17	$ 96,557.79	$ 8,916.72	$ 287,252.93
								$ -
	PROGRAM CAP 2010:	$ 135,453.02	$ 14,546.98	$ 2,497,770.83	$ 2,229.17	$ 291,083.28	$ 8,916.72	$ 2,950,000.00
	PROGRAM CAP 2011:	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	PROGRAM BALANCE TO DATE:	$ (17,618.73)	$ -	$ 2,485,840.31	$ -	$ 194,525.49	$ -	$ 2,662,747.07

07-SEWER SYSTEM IMPROVEMENTS
FYE 2011
ACCT #1717

DATE	DESCRIPTION	709003 ENGINEERING NEW LIFT STATION	709005 ENGINEERING NEW LIFT STATION Staff Support	709004 NEW LIFT STATION CONSTRUCT	TOTALS
	BALANCE BROUGHT FORWARD-FYE 2010	$ 47,270.29	$ 15,955.84	$ 38,307.24	$ 101,533.37
					-
07/30/10	MSA Consulting-Lift Station			540.00	540.00
07/30/10	MSA Consulting-Lift Station			2,250.00	2,250.00
08/24/10	County of SD-permits for lift station			1,095.48	1,095.48
08/24/10	Earth Systems Southwest-Professional Services @ lift station			3,339.00	3,339.00
08/24/10	TC Construction-Lift station			54,917.28	54,917.28
08/31/10	Earth Systems Southwest-Professional Services @ lift station			8,742.00	8,742.00
08/31/10	MSA Consulting-Lift Station			3,943.15	3,943.15
09/22/10	County of SD-permits for lift station			3,009.24	3,009.24
09/22/10	Borrego Electric-Lift Station			613.50	613.50
09/22/10	MSA Consulting-Lift Station			1,933.20	1,933.20
09/30/10	Earth Systems Southwest-Professional Services @ lift station			2,613.00	2,613.00
09/30/10	TC Construction-Lift station			65,867.40	65,867.40
10/31/10	Earth Systems Southwest-Professional Services @ lift station			6,550.00	6,550.00
10/31/10	County of SD-permits for lift station			1,193.80	1,193.80
10/31/10	MSA Consulting-Lift Station			3,045.60	3,045.60
10/31/10	TC Construction-Lift station			160,442.90	160,442.90
11/23/10	County of SD-permits for lift station			635.66	635.66
12/31/10	MSA Consulting-Lift Station			3,800.00	3,800.00
12/31/10	MSA Consulting-Lift Station			757.95	757.95
12/31/10	TC Construction-Lift station			27,637.20	27,637.20
12/31/10	TC Construction-Lift station			84,926.55	84,926.55
01/31/11	Bay City Works			1,494.75	1,494.75
01/31/11	MSA Consulting-Lift Station			3,390.00	3,390.00
01/31/11	MSA Consulting-Lift Station			1,591.21	1,591.21
01/31/11	MSA Consulting-Lift Station			2,600.00	2,600.00
01/31/11	Earth Systems Southwest-Professional Services @ lift station			1,495.00	1,495.00
01/31/11	MSA Consulting-Lift Station			4,750.00	4,750.00
01/31/11	TC Construction-Lift station			4,994.10	4,994.10
02/28/11	TC Construction-Lift station			3,968.44	3,968.44
02/28/11	MSA Consulting-Lift Station			2,600.00	2,600.00
03/17/11	TC Construction-Lift station			55,206.13	55,206.13
04/27/11	MSA Consulting-Lift Station			2,850.00	2,850.00
04/27/11	MSA Consulting-Lift Station			180.00	180.00
04/27/11	TC Construction-Lift station			52,106.58	52,106.58
04/27/11	TC Construction-Lift station			4,563.00	4,563.00
					681,175.49
	TOTAL:	$ 47,270.29	$ 15,955.84	$ 617,949.36	681,175.49
					$ -
	PROGRAM CAP 2011:	$ -	$ -	$ 496,000.00	$ 496,000.00
					$ -
	PROGRAM BALANCE TO DATE:			$ (121,949.36)	(121,949.36)

09-BUILDINGS/STRUCTURES
FYE 2011
ACCT #1719

DATE	DESCRIPTION	Replacement of Well Houses	Stirrup Property upgrades	TOTALS
08/31/10	Home Depot-Booster Station 1 building materials	987.51		987.51
08/31/10	Labor to build houses-DEPriest	2,000.00		2,000.00
09/15/10	Labor to build houses-DEPriest	1,925.00		1,925.00
09/30/10	Labor to build houses-DEPriest	1,400.00		1,400.00
10/15/10	Labor to build houses-DEPriest	800.00		800.00
10/31/10	Hunsinger Electric	288.00		288.00
04/15/11	Labor to build houses-DEPriest	1,000.00		1,000.00
04/30/11	Home Depot-Building materials	1,778.75		1,778.75
				-
				-
				10,179.26
	TOTAL:	$ 10,179.26	$ -	10,179.26
				$ -
	PROGRAM CAP 2011:	$ 75,000.00	$ 25,000.00	$ 100,000
				$ -
	PROGRAM BALANCE TO DATE:	$ 64,820.74	$ 25,000.00	$ 89,820.74

11-GROUNDWATER MANAGEMENT PROGRAM

FYE 2011

ACCT #011722

DATE	DESCRIPTION	110901 USGS GROUNDWATER BASIN STUDY	Viking Fallowing Projects	Viking Fallowing Projects STAFF TIME	Cocopa Fallowing Projects	Cocopa Fallowing Projects STAFF TIME	TOTALS
	BALANCE BROUGHT FORWARD-FYE 2010	$ 329,989.91	$ 2,771.50				$ 332,761.41
08/31/10	USGS study	4,604.00					$ 4,604.00
09/15/10	Record Staff Time-Williamson	1,601.10		800.55		800.55	$ 3,202.20
09/15/10	Transfer Staff time to 1712-IRWMP	(1,601.10)					$ (1,601.10)
09/30/10	Record Staff Time-Williamson	3,987.94		978.45		978.45	$ 5,944.84
09/30/10	Transfer Staff time to 1712-IRWMP	(3,987.94)					$ (3,987.94)
10/15/10	Record Staff Time-Williamson	3,256.12		889.50		889.50	$ 5,035.12
10/15/10	Transfer Staff time to 1712-IRWMP	(3,256.12)					$ (3,256.12)
10/31/10	Record Staff Time-Rolwing/Williamson	3,625.40		889.50		889.50	$ 5,404.40
10/31/10	Transfer Staff time to 1712-IRWMP	(3,625.40)					$ (3,625.40)
10/31/10	Stradling, Yocca, Carlson, Rauth		3,380.00				$ 3,380.00
11/15/10	Record Staff Time-Rolwing/Williamson	3,625.40		889.50		889.50	$ 5,404.40
11/15/10	Transfer Staff time to 1712-IRWMP	(3,625.40)					$ (3,625.40)
11/29/10	Wire Transfer to First American Title-Cocopah Escrow				150,000.00		$ 150,000.00
11/30/10	Stradling, Yocca, Carlson, Rauth		3,717.50				$ 3,717.50
11/30/10	Record Staff Time-Rolwing/Williamson	3,625.40		889.50		889.50	$ 5,404.40
11/30/10	Transfer Staff time to 1712-IRWMP	(3,625.40)					$ (3,625.40)
11/30/10	Stradling, Yocca, Carlson, Rauth		1,457.50		12,225.00		$ 13,682.50
02/28/11	Stradling, Yocca, Carlson, Rauth		225.00		100.00		$ 325.00
03/11/11	Transfer Viking Ranch Deposit to offset expenses		(5,325.00)				$ (5,325.00)
03/31/11	Anthony Romano, Attorney		900.00				$ 900.00
03/31/11	Wildermuth Engineering		430.00				$ 430.00
04/27/11	Downey Brand-GWM Issues		201.08		201.07		$ 402.15
04/27/11	Wildermuth Engineering		2,235.00		2,235.00		$ 4,470.00
04/30/11	Brian Brady-Professional Services		1,157.13		1,157.13		$ 2,314.26
							522,335.82
	TOTAL	$ 334,593.91	$ 11,149.71	$ 5,337.00	$ 165,918.20	$ 5,337.00	$ 522,335.82
	PROGRAM CAP 2011:	$ 100,000.00	$ 69,663.00	$ 5,337.00			$ 175,000.00
							$ -
	PROGRAM BALANCE TO DATE:	$ 95,396.00	$ 61,284.79	$ -	$ (165,918.20)	$ (5,337.00)	$ (9,237.41)

Borrego Water District Management/Operations Report – May 2011

By: Jerry Rolwing

BOARD REQUEST

This past month has been very busy with financial reports and preparing data for the proposed rate increase. Along with this project, Raftelis has had to perform extra work from their original proposal (attached A). Unless there is some objection, I would like to approve Sanjay's offer of adding $2,000 to the contract and having him attend the June 22nd hearing.

FEDERAL LEVEL

I received an e-mail from Michael Harrison of Congressman Duncan Hunter's office asking for comments from the Borrego Water District regarding the new transportation bill. I will perform some research on the proposed bill to see if we can add input. Eventually I would like to set up a meeting with Mr. Harrison with an ad hoc committee of the Board.

U.S. Geological Survey: Included in this agenda is a no-cost extension agreement with the USGS. This extension will accommodate both of our schedules and still fulfill the aspects of the project. I continue to work with the USGS staff to collect depth-dependant water quality information.

U.S. Department of Reclamation: In-kind list of expenses have been submitted to Reclamation with the signed MOU. There is some concern with no physical report associated with these expenses. Two of the large expenses are the USGS study and the STAG grant study, both in progress. The STAG grant expense, less the EPA grant funding of $267,000 is eligible but the final report is not ready for submittal. These issues will be worked out with Reclamation.

State and Tribal Assistance Grant (STAG): Semi-annual reports and expense requests have been submitted and are waiting for EPA approval. We will need to request a no-cost extension to be able to complete the assigned tasks.

FEDERAL/STATE LEVEL

The Groundwater Ambient Monitoring and Assessment Program (GAMA) has completed their study of water quality in the desert areas of the State. This program is a partnership with the State Water Resources Control Board and the United States Geological Survey which included District participation. The overall results show very little contamination in the Borrego Valley but the results are still preliminary and not ready for public distribution. The results of the testing for the four District wells are available at the office.

STATE LEVEL

The Integrated Regional Water Management (IRWM) program is presently in a "holding pattern" due to recent activities and we are waiting for the Dept. of Water Resources (DWR) appointed facilitator. The facilitator task order has been approved but the person, Dale Shafer, has personal leave until after the first of June. While in Sacramento last week for the Association of California Water Agencies (ACWA) spring conference, David Aladjem, attorney with Downey Brand in Sacramento set up a meeting with

Dale Hoffman-Floerke and Paula Landis of the DWR. The purpose of the meeting was to outline the situation of the Borrego Valley Aquifer and solicit ideas, and possible funding through the IRWM, to assist us in solutions. I distributed maps of the District (boundary, watershed), Anza Borrego Desert IRWM Region map, water level graph for monitor well #1 and 2010 Borrego Valley Water Usage. Ms. Hoffman-Floerke was the IRWM Chief but has just changed departments to the Bay Delta group and Ms. Landis is deputy director of the IRWM program. Both were very receptive and will be valuable contacts in the future. I also met with our IRWM representative Anna Aljabiry and her supervisor Bill Hoffman for the same purpose. Again, they were very receptive and offered suggestions that I will pursue as we get back into the program in June. We have been approached by the rural Terwilliger community near Anza, CA which is in the upper reaches of the Borrego Valley watershed. They would like to be included in our IRWM group and have water quality issues to bring to the table. I will meet with the representatives and tour the area on June 1st.

COUNTY LEVEL

Waiting on DPLU (department of planning and land use) to provide a draft of the proposed update to the County Groundwater Ordinance, now delayed until June 30th.

LOCAL LEVEL

Due to time constraints there have been no action items locally. Congratulations to our re-appointed Honorary Mayor Okie McNatt.

DISTRICT LEVEL

Considerable staff time has been spent preparing for and sending out notices of the proposed rate increase.

On Monday May 9th I met with Andrea Roess of David Taussig's office (District tax consultant) at Allison Burns' office (District bond attorney, Stradling, Yocca, Carlson and Rauth) to be briefed on the court appearance scheduled for Friday May 13th on the Montesoro foreclosure proceedings. The judge required a session with "live witnesses" in the matter. The foreclosure proceedings are still in progress.

I attended the Association of California Water Agencies (ACWA) spring conference in Sacramento May 10-12. The "hot topic" these days is the State's interest in groundwater basins. ACWA has prepared a document "Sustainability from the Ground Up, Groundwater Management in California, a Framework" available on the ACWA website:
http://www.acwa.com/sites/default/files/post/groundwater/2011/03/acwa-groundwater-framework.pdf
The gist of the document centers on "local control" over future decisions in groundwater management issues. The Groundwater Committee, author of the document, met on Tuesday afternoon in a "round table" format to voice opinions of the committee members (Rich Williamson was on the committee representing BWD prior to his resignation). Most revolved around the next phase of the document which will be the implementation plans. I have asked to be included in e-mail notifications as this plan proceeds but do not feel the need to be on the committee. One speaker of interest was Anton Favorini-Csorba of the Legislative Analyst's Office (LAO). He brought up a point that if a groundwater basin was severely out of control that the legislature may be able to step in. This brought quite of bit of reaction from the group, probably due to the State's poor handling of these type situations in the past. The LAO

has a document out entitled "Liquid Assets" which can be found at:
http://www.lao.ca.gov/reports/2010/rsrc/groundwater/groundwater_032410.pdf
The other session of interest was the groundwater presentation moderated by Lester Snow, former head of the DWR. Panelists included Gary Hix, president of the Arizona Water Well Asso., who discussed the Arizona groundwater program. They have created "Active Management Areas" in the late 1980's which are non-political areas (not limited to a single county or city) with associated groundwater management issues. Each area has a set goal to reach area pumping limits or to address quality issues. For instance, if an area was in overdraft, they had a period of time to reverse the situation. The plan has been working very well for them and it was suggested that California move to that direction. We also had a brief speech by Assemblyman Jared Huffman who chairs the Water, Parks and Wildlife Committee. Assemblyman Huffman's office is very concerned over the groundwater issue and has held a special hearing on the subject in February 2011. I have contacted his aide to be included on any future forums. The next speaker was Robb Whitaker, general manager of the Water Replenishment District of Southern California. They were able to joint venture with Los Angeles County flood control to install a series of recharge basins for storm water and most recently recycled water. His advice was to start slowly and generate lots of pictures or diagrams. The final speaker was Greg Zlotnick, chair of the ACWA Groundwater Committee. Mr. Zlotnick reviewed the new groundwater document with the group and fielded questions from the audience.

Print | Close Window

Subject: Scope amendment
From: Sanjay Gaur <sgaur@raftelis.com>
Date: Wed, May 18, 2011 6:56 pm
To: "jerry@borregowd.org" <jerry@borregowd.org>
Cc: Lyle Brecht <lbrecht@gmail.com>, "bethhart1@juno.com" <bethhart1@juno.com>

Jerry,

Hope all is well with you; I missed you at ACWA. I wanted to get back and connect with you regarding the budget for the Water Rate Study. As I previously mentioned, we had some over-runs on this project due to the need for updating the O&M Budget, adjusting the CIP expenditure and participating in extra webinars. As of today, the cost of the project is $31,456, $3,101 over our planned budget of $28,355. In addition, we still have the public hearing to attend. I know you are a small District and I feel your hardship; therefore I have discussed this matter with the higher ups and we are suggesting the following:

1) We amend the planned budget to include an additional $2,000
2) I will attend and make a presentation at the Public Hearing on the 22nd. I have scheduled a meeting with Indio WA after your Public Hearing, so I can charge most of my time to the marketing cost. I will need to leave Borrego Springs by 1 PM. Given that the Public Hearing starts at 11 AM, we will have 2 hours, which should be sufficient time.
3) RFC will absorb remaining over-runs

Let me know if this is acceptable to the District.

Thanks,

Sanjay Gaur
Manager

Raftelis Financial Consultants
201 S Lake Av. Ste 301
Pasadena, CA 91101

Cell: 213 327 4405
Fax: 626 583 1411

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March 18, 2011

Borrego Water District Board of Directors

Borrego Springs, Ca. 92004

Carolyn Fraser
P.O. Box 789
Borrego Springs, Ca 92004

Dear Board Members:

I am writing in response to Jerry Rolwing's letter stating that he was unable to approve payment of the motel bill for one night during the sewer outage at our home. While I understand your position of financial difficulties, this outage was no fault of ours, and we were extremely inconvenienced for several days. I will not go into medical reasons that I require a bathroom at night, but suffice it to say, I do. I endured the inconvenience for five days. A kind neighbor loaned me a porta-potty for the last night, and before going to work at 6:30 AM, I went to a neighbor's house to shower.

I teach in El Centro and am unable to take a day off work to present my case in person at the Board meeting, so I trust that you will consider this letter in lieu of a personal appearance.

Yours truly,

Carolyn Fraser

Carolyn Fraser

AGREEMENT FOR THE CONSTRUCTION OF WATER FACILITIES

THIS AGREEMENT FOR THE CONSTRUCTION OF WATER FACILITIES (this "Agreement") is entered into by and among the **BORREGO WATER DISTRICT**, a California Water District organized and operating pursuant to California Water Code Section 34000 et seq. (the "District"), the **RAYMOND E. PLOTE LIVING TRUST** (the "Plote Living Trust") and **BASARA LLC**, a limited liability company ("Basara") (the Plote Living Trust and Basara are collectively referred to herein as the "Developer").

R E C I T A L S

A. The Developer desires to improve certain real property commonly referred to as Mesquite Trails Ranch, which consists of approximately 310 acres that is currently approved for 480 recreational vehicle lots, (the "Project"). The Project is located east of Borrego Valley Road at the intersection of Tilting "T" Drive in the community of Borrego Springs and is legally described in the Project Legal Description attached hereto as Exhibit "A" and incorporated herein.

B. The Project is within the District's territorial boundaries and jurisdiction.

C. The Developer desires to provide domestic water service to the Project. The District has reviewed and accepted a hydraulic analysis (the "Analysis") that was prepared or caused to be prepared by the Developer concerning the impact of the Project upon the District's water system. Based upon the results and conclusions of the Analysis, the Developer has designed and will construct the water facilities described in Exhibit "B" attached hereto and incorporated herein (the "Water Facilities"). The Water Facilities will be dedicated to the District as a condition of the District providing domestic water service to the Project.

D. The Developer will construct and/or install the Water Facilities in more than one phase. The Developer has submitted to the District plans and specifications for the construction and installation of the initial phase of the Water Facilities, which initial phase consists of the off site water line construction along Tilting "T" Drive and the on site water line construction for phase 1 (the "Phase 1 Plans"). The Phase 1 Plans, which have been approved by the District, are attached hereto as Exhibit "C" and incorporated herein. The Developer shall prepare and submit to the District and the District shall have approved plans and specifications for the construction and installation of subsequent phases of the Water Facilities as set forth in this Agreement prior to the Developer commencing construction and/or installation of each such phase.

E. The Developer is required to construct the Water Facilities pursuant and subject to the plans and specifications approved by the District for each phase and is further required to comply with the terms and conditions of this Agreement.

NOW, THEREFORE, the District and the Developer hereby agree as follows:

1. District's Provision of Water Service. The District shall provide water service to the Project pursuant and subject to all applicable federal, state and local laws and ordinances (including, without limitation, the District's rules, regulations and policies) upon the Developer's strict compliance with and satisfaction of each of the following conditions (each of which shall constitute an express condition precedent to the District's obligation to provide water service to the Project):

1.1 Approved Hydraulic Analysis. Any amendment or supplement to the Analysis, shall be approved by the District's General Manager. All fees and costs directly or indirectly related to or associated with the Analysis shall be borne solely by the Developer.

1.2 Fees and Charges. The Developer shall pay all water service fees and charges as set forth in Exhibit "D" attached hereto and incorporated herein.

1.3 Environmental Review. The Developer shall provide to the District all environmental documents previously utilized to obtain approvals for the Project which were not previously provided to the District during the Project approval process. All fees and costs directly or indirectly related to or associated with the environmental review of the Project, the approval or implementation of this Agreement and/or the construction of the Water Facilities has been and/or shall be borne solely by the Developer.

1.4 Approved Plans and Specifications. The District's approval of the Phase 1 Plans, as well as the District's approval of the plans and specifications for subsequent phases, shall not relieve the Developer of liability based upon the design, construction or installation of the Water Facilities. The Phase 1 Plans, as well as the plans and specifications for each subsequent phase, shall be incorporated in and shall constitute a part of this Agreement.

2. Water Facilities. The Developer shall construct the Water Facilities required by this Agreement in strict compliance with the Phase 1 Plans and the plans and specifications approved by the District for each subsequent phase. All fees and costs of whatever type or nature necessary to design, build and dedicate the required Water Facilities to the District shall be borne solely by the Developer unless otherwise agreed by the District in writing (e.g., in the case of required upsizing to accommodate future service demands for downstream users).

3. Liability Insurance. Upon execution of this Agreement, Developer or Developer's contractor shall provide certificates of insurance and endorsements showing that Developer or Developer's contractor has liability insurance coverage with an insurance company authorized to do business in the State of California, and acceptable to the District, providing $1,000,000 of coverage. The liability insurance coverage shall include each of the following types of insurance:

A. General Liability

(1) Comprehensive Form

(2) Premises-Operations

(3) Explosion and Collapse Hazard

(4) Underground Hazard

(5) Products/Completed Operations Hazard

(6) Contractual Insurance

(7) Broad-form Property Damage, Including Completed Operations

(8) Independent Contractors

(9) Personal Liability

B. Auto Liability

(1) Comprehensive Form, including Loading and Unloading

(2) Owned

(3) Hired

(4) Non-owned

The Liability Insurance shall include as additional insureds the District, it directors, officers, agents, employees and consulting engineer. The insurance afforded to these additional insureds shall be primary insurance. If the additional insureds have other insurance, which might be applicable to any loss, the amount of the insurance provided under this section shall not be reduced or prorated by the existence of such other insurance.

Included in such insurance shall be contractual coverage sufficiently broad to insure matters set forth in Section 14 Agreement. All liability insurance shall include occurrence coverage with a deductible amount acceptable to the District. All such insurance coverage shall be submitted to the District on the approved certificate of insurance and endorsement form, which is attached hereto as Exhibit "F" and incorporated herein, or the functional equivalent satisfactory to the District. The endorsement shall be signed and notarized by an authorized agent/representative of the insurance carrier. The insurance certificate and endorsement shall be non-cancelable without thirty (30) days written notice to the District, other than cancellation for non-payment of premiums, with respect to which the certificate and endorsement shall be non-cancelable without ten (10) days written notice to the District.

4. Worker's Compensation Insurance. Upon execution of this Agreement, the Developer agrees to provide certificates of insurance showing that the contractor retained by the Developer has obtained, for the period of the contract, full worker's compensation insurance coverage for no less than the statutory limits covering all persons whom the Developer's contractor employs or may employ in carrying out the work under this Agreement. The Developer's contractor shall provide the District with certificates of workers compensation insurance and endorsements on the forms attached hereto as Exhibit "G" and incorporated herein or the functional equivalent satisfactory to the District. Upon execution of this Agreement, the Developer's contractor shall also, execute the "Certificate Regarding Worker's Compensation" which is attached hereto as Exhibit "H" and incorporated herein by reference.

5. Easement and Fee Sites. At the appropriate time, the district may order a preliminary title report covering all properties in which easements or fee interests are to be granted to the District. The costs of the preliminary title report shall be borne solely by the Developer. The Developer agrees to provide the District with such easements and fee sites as the District may require for the Project, and as may be reasonably required for ingress and egress and maintenance of the Water Facilities, as determined by the District in its sole discretion. The Developer agrees that the District shall be entitled to reacquire an easement extending to the boundaries of the Developer's property and of a width satisfactory to the District as it may determine, in its sole discretion, as may be reasonably required for ingress and egress and maintenance of the Water Facilities to be dedicated

to the District. All easements and fee sites shall be free and clear of all liens and encumbrances which affect title and shall have recorded subordination agreements for all trust deeds or other liens to insure that the District has prior rights in any easements or fee sites being conveyed to the District. The Developer shall procure a policy of title insurance in favor of the District covering easements and fee sites to be granted in amounts reasonably determined by the District, in its sole discretion, subject only to those conditions of record acceptable to the District. All fees and costs to procure easements or fee interests required by the District shall be borne solely by the Developer. Nothing in this Agreement shall obligate the District to exercise it condemnation authority to acquire any easement or fee interest determined necessary by the District. All easements and fee interests required by the District in accordance with this section shall be in recordable form, acceptable to the District, prior to the District's acceptance of the Water Facilities.

6. Certification from the Engineer. If and to the extent the Water Facilities, or any portion thereof, is to be constructed and/or installed in a roadway (either existing or planned), the Developer shall submit to the District prior to commencing construction and/or installation of such portion of the Water Facilities a sufficient survey or certification prepared by a qualified and licensed professional engineer evidencing the alignment and grades have been approved and conform to the applicable approved plans and specifications.

7. Construction of Water Facilities. Developer shall not commence construction of the Water Facilities, or any portion thereof, until Developer has received written authorization from the District to proceed. All work performed on the Water Facilities shall be: (1) in strict compliance with the plans and specifications approved by the District relative to such portion of the Water Facilities; (2) in a good and workmanlike manner as determined by the District; and (3) in accordance with District's current published standards and criteria for projects and standards and criteria which may be required by the District at any time, whether published or not, in the District's sole discretion. All work performed on the water facilities by Developer shall be subject to inspection by the District's designated representatives. The Developer shall comply with all reasonable instructions given by the District's representatives during construction of the Water Facilities. All fees and costs to construct, install, inspect and administer the construction of the Water Facilities shall be borne solely by Developer.

8. Completion Date and Term of Agreement. The Water Facilities shall be fully completed and accepted by the District prior to the Developer making application to the District for the provision of water service, prior to any obligation of the District to provide water service to the Project and pursuant and subject to the Schedule of Performance attached hereto as Exhibit "E" and incorporated herein. The term of this Agreement shall be ten years from the date of its execution. At the end of the initial ten-year term, the Agreement shall automatically be extended for successive one-year periods, unless one of the Parties provides 90-day written notice to the other Party of that Party's intention to terminate the Agreement.

9. Compliance with Applicable Law. The Developer shall insure that all work performed on the Project is performed in a manner which complies with all applicable federal, state, county, and local government rules and regulations, including all rules and regulations of the District as such rules and regulations may be modified or changed from time to time, to the extent such new rules or regulations are legally enforceable as to the Project. The Developer shall be solely responsible for obtaining and paying for all permits, licenses, and approvals necessary to construct and/or install the Water Facilities. The Developer shall provide evidence that permits, licenses and approvals have been obtained promptly upon demand by the District. The Developer shall comply

with the contractor license requirements as provided by California Business and Professions Code Section 7059 as amended.

10. Prevailing Wages. The Developer has been alerted to the requirements of California Labor Code Section 1770 et seq., which would require the payment of prevailing wage rates and the performance of other requirements if it were determined that this Agreement constitutes a public works contract. The Developer has also been advised and understands that the Office of the Attorney General of the State of California has rendered an Opinion (No. 86-803) concluding that prevailing wages must be paid by a private developer where a public agency retains control over construction of the project and the facilities are ultimately dedicated to the public agency. The Developer has further been advised that the California Department of Industrial Relations presently disagrees with the position taken by the Office of the Attorney General in Opinion No. 86-803.

It shall be the sole responsibility of the Developer to determine whether to pay prevailing wages for any or all work required by this Agreement. As a material part of this Agreement, the Developer agrees to assume all risk of liability arising from any decision by the Developer or any contractor or subcontractor of Developer to not pay prevailing wages for work required by this Agreement. As a further material part of this Agreement, the Developer agrees to defend (with counsel of the District's choice), hold harmless and indemnify the District, it's officers, employees, consultants, and agents (collectively, the "Indemnified Parties") from any and all claims, liability loss, costs, damages, expenses, fines and penalties, of whatever type or nature, including all costs of defense and attorney's fees, arising from any alleged failure of the Developer or the Developer's contractors to comply with the prevailing wage laws of the State of California. If the District or any of the Indemnified Parties are named as a party in any dispute arising from the failure of the Developer or the Developer's contractors to pay prevailing wages, the Developer agrees that the District and the other Indemnified Parties may appoint their own independent counsel, and the Developer agrees to pay all attorney's fees and defense costs of the District and the other Indemnified Parties as billed, in addition to all other damages, fines, penalties, and losses incurred by the District and the other Indemnified Parties as a result of he action.

11. Acceptance of Work. Upon completion of the Water Facilities (or individual phase thereof) to the reasonable satisfaction of the District, such Water Facilities (or individual phase thereof) shall be presented to the District's Board of Directors for acceptance. Upon the District's acceptance of the Water Facilities (or individual phase thereof), the District shall prepare and record a notice of completion as to the accepted phase of the Water Facilities. The District shall have no obligation to accept any portion or phase of the Water Facilities if the District determines, in its sole and absolute discretion, that the design and/or construction of such portion and/or phase of the Water Facilities fails to strictly comply with the applicable approved plans and specifications. The District will not prepare or record a notice of completion unless and until the Developer submits "as-built mylar drawings." The Developer understands and agrees that by recordation of the notice of completion, all right, title, ownership, and interest in and to the Water Facilities constructed under this Agreement are granted, conveyed, transferred, assigned and delivered to the District, its successors, and assigns. The Developer agrees to execute such transfer documents as the District may request to reflect title and ownership in the name of the District.

12. Liability for Work Prior to Formal Acceptance. Until the District has accepted the Water Facilities (or portion/phase thereof) pursuant to Section 11 of this Agreement, District shall not be responsible or liable for any damage to the Water Facilities (or portion/phase thereof) regardless of the cause.

13. Warranty. Developer shall and hereby does warrant the Water Facilities and materials for the Water Facilities to be free from all defects due to faulty materials for the duration of any warranty provided by the material supplier, or for faulty workmanship for a period of one (1) year from the date of acceptance of the Water Facilities (or portion/phase thereof). The Developer shall repair or remove and replace any and all such work, together with any other work which may be displaced in so doing, that is found to be defective in workmanship and/or materials within the time period state above, without any expense whatsoever to the District, ordinary wear and tear and unusual abuse or neglect by the District excepted. In the event the Developer fails to commence to cure any defects within one (1) week after being notified in writing, the District is hereby authorized to proceed to have the defects remedied and made good at the expense of Developer, who hereby agrees to pay the cost and charge thereof immediately upon demand. Such action by the District will not relieve the Developer of the warranty required by this section. This section does not in any way limit the liability of the Developer for any design defects or any defects in the work subsequently discovered by the District.

14. Indemnity. The Developer shall be solely responsible and liable for design defects or defects in work performed to construct the Water Facilities. This shall include liability and responsibility for injury or damage to the work itself. The Developer hereby agrees to hold harmless, indemnify, and defend the District and the other Indemnified Parties from any and all claims, suits, or actions of every name, kind, and description brought for or on account of injuries to or death of any person or damage to any property, occurring or resulting from action occurring prior to the acceptance of the Water Facilities by the District, and resulting from the Developer's negligence in the design or construction of the Water Facilities. This indemnity shall include claims by the District for damage arising from improper design or workmanship of the Water Facilities, except to the extent the injury or damage has been caused by the sole active gross negligence of the District or its representatives. In the event that any suit is instituted naming the District or any other Indemnified Parties as a defendant, the District or such other Indemnified Parties shall be entitled to appoint their own independent counsel to represent them, and the Developer agrees to pay all attorney's fees and litigation costs associated with this defense.

15. As-Built Mylar Drawings. Prior to the District's acceptance of the Water Facilities (or portion/phase thereof) and prior to a notice of completion being recorded, the Developer shall provide the District with one (1) mylar copy of the as-built drawings bearing the seal of the engineer and three (3) copies of as- built drawings with certification by a licensed engineer in the State of California as to the accuracy and completeness. The Developer shall be solely responsible and liable for insuring the completeness and accuracy of all as-built drawings.

16. Cash Deposits. The Developer shall pay all of the District inspection costs and any and all other costs associated with and/or related to the Water Facilities. Upon executing this Agreement, the Developer shall submit to the District a cash deposit in the amount of $10,000 (the "Deposit"). The District shall utilize the Deposit to pay all of the District inspection costs and any and all other costs associated with and/or related to the Water Facilities as such costs are incurred. The District shall provide to the Developer a monthly statement that itemizes each disbursement of the Deposit made during such statement period and that indicates the current balance of the Deposit. The Developer shall replenish the Deposit within ten (10) days of the date of each monthly statement to extent necessary in order to maintain a minimum Deposit of at least $3,000.

17. Personal Liability. No director, officer, employee, agent, consultant, engineer or architect of the District or the Developer shall be personally responsible for any, liability arising under or by virtue of this Agreement.

18. District Remedies for Breach. In the event the Developer fails to strictly comply with any term, covenant or condition of this Agreement or fails to complete performance of any matter specified in this Agreement on the date it is due, including payment of all fees and charges when due, then the District shall be entitled to elect any or all of the following remedies, at the District's option:

A. Unilaterally terminate this Agreement and/or all rights of the Developer to water service for the Project, excepting service to then existing third party homeowners (if any) and common area facilities (if any). The termination shall be effective one (1) week after the delivery of written notice of termination to the Developer unless the Developer has cured the default specified in the notice.

B. File suit against the Developer for damages arising from breach of this Agreement. Amounts payable to the District as specified in this Agreement (e.g., District inspection fees and charges), shall earn interest at the rate of one and one-half percent (1-1/2%) per month until paid in full.

19. Cumulative Rights and Remedies. The rights and remedies granted to the District pursuant to this Agreement shall be in addition to any rights or remedies granted to the District as a result of other agreements with the Developer. All such other agreements shall remain valid and enforceable as written and all such agreements shall be interpreted in a manner as to be consistent with each other and in a manner, which provides the greatest rights and remedies to the District.

20. Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

21. Modification. This Agreement may not be altered in whole or in part except by a written modification approved by the Board of Directors of the District and executed by all the parties to this Agreement.

22. Attorney's Fees. In the event any action of proceeding is initiated to challenge, invalidate, enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees and costs in addition to any other relief granted by law. This provision shall apply to the entire Agreement.

23. Entire Agreement. This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding between the parties with respect to the subject manner of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement , are intended to be replaced in total by this Agreement and its exhibits. The Developer warrants and represents that no District representative has made any oral representations or oral agreements not contained in this Agreement.

24. Assignment. The Developer shall not be entitled to assign or transfer all or any portion of its rights or obligations contained in this Agreement without obtaining the prior written consent of the District, which consent shall not be unreasonably withheld. Any purported assignment without the District's prior written consent shall be void.

25. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective purchasers, successors, heirs and assigns.

26. Unenforceable Provisions. The terms, conditions and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions nevertheless so remain enforceable to the extent that they effectuate the original intent of the parties.

27. Representation of Capacity to Contract. Each party to this Agreement represents and warrantees that he/she has the authority to execute this Agreement on behalf of the entity represented by that individual.

28. Opportunity to be Represented by Independent Counsel. Each of the parties to this Agreement warrant and represent that they have been advised to consult independent legal counsel of their own choosing and have had a reasonable opportunity to do so prior to executing this Agreement.

29. No Waiver. The failure of either party to enforce any term, covenant, or condition of this Agreement on the dated it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other term, covenant or condition of the Agreement at any later date or as a waiver of any term, covenant or condition of this Agreement.

30. Notices. All letters, statements or notices required pursuant to this Agreement shall be deemed effective upon receipt when personally served or when sent certified mail, return receipt requested, to the following address:

To Plote Living Trust: Raymond E. Plote Living Trust
1141 E. Main Street, #100
East Dundee, IL 60118

To Basara: Basara LLC
10211 Frank Road
Algonquin, IL 60156

To District: Borrego Water District
P.O. Box 1870
Borrego Springs, CA 92004

31. Special Conditions. The special conditions set forth in Exhibit "D" attached hereto are incorporated herein.

32. Effective Date. The effective date of this Agreement executed in counterparts in the North County Judicial District, County of San Diego, State of California is _____, 2011.

[SIGNATURES BEGIN ON NEXT PAGE]

PLOTE LIVING TRUST:

RAYMOND E. PLOTE LIVING TRUST

By:_____
Its:_____

By:_____
Its:_____

BASARA:

BASARA LLC, a _____ limited liability company

By:_____
Its:_____

DISTRICT:

BORREGO WATER DISTRICT, a public corporation

By:_____
Its:_____

ATTEST:

_____
District Secretary

APPROVED AS TO FORM:

_____
Lisa A. Foster
McDougal, Love, Eckis, Boehmer & Foley
Interim District General Counsel

EXHIBIT "A"

PROJECT LEGAL DESCRIPTION

[INSERT PROJECT LEGAL DESCRIPTION]

EXHIBIT "B"

DESCRIPTION OF WATER FACILITIES

[INSERT SCOPE OF WORK/DESCRIPTION OF WATER FACILITIES]

[INDICATE PHASES]

EXHIBIT "C"

PHASE 1 PLANS

[INSERT PHASE 1 PLANS]

EXHIBIT "D"

SPECIAL CONDITIONS

Mesquite Trails Ranch

1. Off site Main Extension - Tilting "T" Drive. The Developer shall furnish and install all necessary off site water facilities required to extend Borrego Water District water service to Borrego Valley Road and to service the Mesquite Trails Ranch development. The minimum requirements are:

(1) A 10" diameter pipeline along Tilting "T" Drive from sta. 20+92.43 to its end at Borrego Valley Road.

2. On site Main and Service Extension. The Developer shall furnish and install all necessary on site water facilities required to provide Borrego Water District water service to the TM5373RPL4 per the plans to be approved by the District.

3. Connection Fees. The Developer will pay the standard connection fees for the Improvement District which are based on the following formula:

Phase	Desc	Units	Capacity Fee	Connection Fee	Turn On Fee	Shut Off Valve
			($375)	($2,530)	($340)	($70)
1	1-74	74	$27,750	$187,220	$25,160	$5,180
2		107	$40,125	$270,710	$36,380	$7,490
3		82	$30,750	$207,460	$27,880	$5,740
4		73	$27,375	$184,690	$24,820	$5,110
5		55	$20,620	$139,150	$18,700	$3,850
6		89	$33,375	$225,170	$30,260	$6,230

Phase	Desc	Units	Capacity Fee	Connection Fee	Turn On Fee	Shut Off Valve
			(N/A)	($3,030)	($340)	($70)
Open	1-1/2 mtr	36	$0	$109,080	$12,240	$2,520

The total connection fee for RV lots will be 480 X $2,530 = $1,214,400 if paid at one time.

Payment of connection fee is required at the time service is requested for each phase of the project/completed spaces in increments of a minimum of 30 EDU's. Credit will be given for facilities paid for in advance as noted in Paragraph 1 hereof.

If in the future the District's connection fee is changed, the fee to be applied to any unpaid connection fees will be that which is in effect at the time service is requested.

Water credit price to be determined by market and availability. Payment of water credits due upon services being requested for each phase.

EXHIBIT "E"

SCHEDULE OF PERFORMANCE

General Note: Due to the dynamic nature of financing, development and construction, this schedule below is structured by milestones, requiring certain improvements prior to occupancies. The Developer is the responsible party for all items unless indicated herein.

Grow-in of landscape, and the associated demands for water will be completed prior to "first occupancy". Open area and integral landscape irrigation will be accomplished using excess waters available as the proposed well is developed, and as demand for water permits.

Reasonable efforts will be made to manage water inside the irrigation system and open areas. Irrigation system can be deactivated during water availability emergencies, such as fires.

Milestone No. 1: Prior to Grading and infrastructure improvements

- Off-site transmission main extension along Tilting T to TM5373RPL4 easterly boundary

Milestone No. 2: Prior to Open Area Grow-in Period and Prior to occupancy of Phase 1

- On-site Phase 1 transmission main improvements with accompanying appurtenances.

Milestone No. 3: Prior to occupancy of Phase 2

- On-site Phase 2 transmission main improvements with accompanying appurtenances.

Milestone No. 4: Prior to occupancy of Phase 3

- On-site Phase 3 transmission main improvements with accompanying appurtenances.

Milestone No. 5: Prior to occupancy of Phase 4

- On-site Phase 4 transmission main improvements with accompanying appurtenances.

Milestone No. 6: Prior to occupancy of Phase 5

- On-site Phase 5 transmission main improvements with accompanying appurtenances.

Milestone No. 7: Prior to occupancy of Phase 6

- On-site Phase 6 transmission main improvements with accompanying appurtenances.

EXHIBIT "F"

CERTIFICATE OF INSURANCE

[INSERT CERTIFICATE OF INSURANCE]

EXHIBIT "G"

CERTIFICATE OF WORKERS COMPENSTION INSURANCE

[INSERT CERTIFICATE OF WORKERS COMPENSATION INSURANCE]

EXHIBIT "H"

CERTIFICATE REGARDING WORKERS COMPENSATION

[INSERT CERTIFICATE REGARDING WORKERS COMPENSATION]

United States Department of the Interior

U.S. GEOLOGICAL SURVEY
California Water Science Center
6000 J Street, Placer Hall
California State University
Sacramento, California 95819-6129
Phone: (916) 278-3000 Fax: (916) 278-3070
http://water.wr.usgs.gov

May 3, 2011

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

Dear Mr. Rolwing:

This letter confirms discussions between our respective staffs concerning an amendment between the Borrego Water District (BWD) and the U.S. Geological Survey (USGS). This amendment provides additional funding to continue the cooperative study to delineate the hydrogeology and water availability of the Borrego Valley, California. The agreement period for this study remains to be October 1, 2008 to October 31, 2011.

An additional $50,000 in USGS Federal Matching Funds will be contributed towards this project during Federal Fiscal year 2011. These funds will be used to collect velocity logs, depth-dependent water-quality data, and aquifer tests to help understand the hydraulic properties and water quality in the middle and lower aquifers.

Enclosed, you will find three copies of JFA 09W4CAD23400, Amendment 3, for your approval. Work performed with funds from this agreement will be conducted on a fixed-price cost basis. If you are in agreement with this proposed program, please return three copies of the JFA with original signatures to our office for further processing.

The third copy of the JFA is for your files. After signature by the USGS, a fully executed original of the JFA will be forwarded for your records.

The USGS is required to have an agreement in place prior to any work being performed on a project. Your immediate attention to processing this JFA would be greatly appreciated, so we can begin work on the proposed program as soon as possible.

If you have any questions concerning this program, please contact Peter Martin, in our San Diego Project Office, at (619) 225-6127. If your have any administrative questions, please contact Irene Rios, in our San Diego Office, at (619) 225-6156.

Sincerely,

Eric G. Reichard
Director
USGS California Water Science Center

Enclosures
cc: Peter Martin, USGS CAWSC
Claudia C. Faunt, USGS CAWSC

Page 1 of 2

Form 9-1366
(Oct. 2005)

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement

Customer #:	CA234
Agreement #:	09W4CAD23400 Amd 3
Project #:	
TIN #:	95-3584612
Fixed Cost Agreement	☑ Yes ☐ No

FOR
WATER RESOURCES INVESTIGATIONS

THIS AGREEMENT is entered into as of the 3 day of May, 2011, by the U.S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the BORREGO WATER DISTRICT, party of the second part.

1. The parties hereto agree that subject to availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation to delineated the hydrogeology and water availability of the Borrego Valley, California, herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50; and 43 USC 50b.
2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) includes In-Kind Services in the amount of $0.

		by the party of the first part during the period		
(a)	$50,000.00	October 1, 2008	**to**	October 31, 2011
		by the party of the second part during the period		
(b)	$0	October 1, 2008	**to**	October 31, 2011

USGS DUNS IS 1761-38857. The amended JFA shows the FFY 2011 funds in both 2(a) and 2(b). Total funding for the BWD portion of this agreement, including this amendment is $422,500.00. Total funding for the USGS portion of this agreement, including this admendment is $182,750.00.

(c) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.

(d) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.
4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.
5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.
6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.
7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

Page 2 of 2

Form 9-1366 continued

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement

Customer #:	**CA234**
Agreement #:	**09W4CAD23400 Amd 3**
Project #:	
TIN #:	**95-3584612**

8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at costs, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties.
9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered **quarterly**. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983).

U.S. Geological Survey
United States
Department of the Interior

USGS Point of Contact

Name: Irene A. Rios
Address: 6000 J Street, Placer Hall
Sacramento, CA 95819-6129
Telephone: 619-225-6156
Email: iarios@usgs.gov

Signatures

By_____ Date_____
Name: Eric G. Reichard
Title: Director, USGS California Water Science Center

By_____ Date_____
Name:
Title:

By_____ Date_____
Name:
Title:

BORREGO WATER DISTRICT

Customer Point of Contact

Name: Jerry Rolwing, Interim General Manager and Operations Manager
Address: Borrego Water District
806 Palm Canyon Drive
Borrego Springs, California 92004
Telephone: 760-767-5806
Email: jerry@borregowd.org

Signatures

By_____ Date_____
Name: Jerry Rolwing
Title: Interim General Manager and Operations Manager

By_____ Date_____
Name:
Title:

By_____ Date_____
Name:
Title:

BORREGO WATER DISTRICT

FISCAL YEAR 2011-2012
ANNUAL BUDGET

SUBMITTED BY:

JERRY ROLWING
GENERAL MANAGER & OPERATIONS MANAGER

TO:

BOARD OF DIRECTORS

BETH HART
PRESIDENT

LYLE BRECHT
VICE-PRESIDENT

MARSHAL BRECHT
SECRETARY & TREASURER

LEE ESTEP
DIRECTOR

ELEANOR SHIMEALL
DIRECTOR

MAY 25, 2011

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BORREGO WATER DISTRICT

May 25, 2011

Board of Directors:

This Fiscal Year 2011-2012 budget was prepared in compliance with the laws of the State of California and reflects the Board of Directors' (Board) priorities and The District's strategic plans by which to achieve these priorities.

The proposed budget represents a "bare-bones" budget to accomplish the District's mission and goals during these tough economic times. The Board's goals and priorities are fully reflected in this budget and it will be used as policy guidelines to address the dynamics of the District's water supply from the severely overdrafted groundwater basin and the economic challenges of the District's present finances.

The proposed budget shows water and sewer revenues estimated to be $2,117,990. The proposed rate increase will potentially bring this total up by 30% to $2,753,387. This rate increase is needed to replenish the District reserve fund in order to adequately address any future emergency repairs and restore the District's credit worthiness.

Both the revenue and expense budgets have excluded the Montesoro Golf Course due to the uncertainty of the timing of the Montesoro foreclosure and possible sale to a new investor. In addition, the revenue and expense budgets have been excluded for the Club Circle Golf Course which has been operating at a $40,000 to $60,000 annual deficit.

Included in this budget package are the proposed Board Resolution to adopt and approve the budget, the detailed revenue and expense budgets, the capital improvement budget with associated justification from the District's consulting engineer, a brief outline of the proposed groundwater management program, the cash reserve policy and the detailed charts of the proposed rate increase.

Thank you.

Sincerely,

Jerry Rolwing
General Manager and Operations Manager

P.O. BOX 1870 / 806 PALM CANYON DRIVE, BORREGO SPRINGS, CA 92004 (760) 767-5806 FAX (760) 767-5994 www.borregowd.org

RESOLUTION NO. 2011-05-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT APPROVING THE OPERATIONS, MAINTENANCE, CAPITAL IMPROVEMENTS AND GROUNDWATER MANAGEMENT BUDGETS AND BOARD DESIGNATED RESERVES FUND POLICY FOR FISCAL YEAR 2011-2012

WHEREAS, the Board of Directors has reviewed and considered the Budget as presented for Fiscal Year 2011-2012 hereinafter referred to as the "Budget" which is attached hereto as Exhibit A and incorporated by reference, and

WHEREAS, the Budget provided a comprehensive plan of financial operations for the District including an estimate of revenues and the anticipated requirements for expenditures, appropriations, and reserves for the forthcoming fiscal year, and

WHEREAS, the Budget establishes the basis for and incurring liability and making expenditures on behalf of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrego Water District, that the Budget and each and every part thereof, is hereby approved and adopted for the Fiscal Year 2011-2012.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Borrego Water District held on May 25, 2011.

_____
President of the Board of Directors
Of Borrego Water District

ATTEST:

_____
Secretary/Treasurer of the Board of Directors
Of Borrego Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

I, Marshal Brecht, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said District at a regular meeting held on the 25th day of May , 2011, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS

_____

Secretary of the Board of Directors of Borrego Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

I, Marshal Brecht, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2011-05-02, of said Board, and that the same has not been amended or repealed.

Dated:

_____

Secretary of the Board of Directors of Borrego Water District

BWD
O & M BUDGET
2011-2012
Board Adopted 05/03/11

	TOTAL ALL FUNDS
REVENUE	
Water Sales	1,608,312
GWM Surcharge	94,000
1% Property Assessments/641502	69,080
Water Availability Standby-Admin-6415-01	180,385
Sewer Revenue	415,678
Interest Income	1,550
Stag Grant	125,000
Other Income	24,215
TOTAL INCOME BUDGET:	2,518,221
EXPENSE	
Repairs & Maintenance	189,500
Professional Services	185,000
Insurance	122,774
Personnel Expense	863,848
Employee Benefits	410,733
Office expense	88,991
Utilities	330,000
Interest Expense-COP 2008	124,875
Well 12 agreement	70,000
Groundwater Management	5,000
All Other	127,500
TOTAL EXPENSE BUDGET:	2,518,221
NET INCOME (EXPENSE):	-

BWD
O & M BUDGET
2011-2012
Board Adopted 05/03/11

	TOTAL ALL FUNDS	(ID 1/3 & 5) WATER	ID4-WATER	(ID 2) TCS	(01/05) SEWER	Total
REVENUE						
Water Sales	1,608,312	884,572	793,782			1,678,354
GWM Surcharge	94,000	51,700	42,300			94,000
1% Property Assessments/641502	69,080	27,632	27,632	6,909	6,908	69,081
Water Availability Standby-Admin-6415-01	180,385	72,154	72,154	18,039	18,039	180,385
Sewer Revenue	415,678			166,271	249,407	415,678
Interest Income	1,550	620	620	155	155	1,550
Stag Grant	125,000	62,500	62,500			125,000
Other Income	24,215	9,686	9,686	2,422	2,422	24,215
TOTAL INCOME BUDGET:	2,518,221	1,108,864	1,008,674	193,795	276,930	2,518,221
EXPENSE						
Repairs & Maintenance	189,500	75,800	75,800	18,950	18,950	189,500
Professional Services	185,000	74,000	74,000	18,500	18,500	185,000
Insurance	122,774	49,110	49,110	12,277	12,277	122,774
Personnel Expense	863,848	385,023	300,000	47,845	130,980	863,848
Employee Benefits	410,733	164,293	164,293	41,073	41,073	410,733
Office expense	88,991	35,596	35,596	8,899	8,899	88,991
Utilities	330,000	132,000	132,000	33,000	33,000	330,000
Interest Expense-COP 2008	124,875		124,875			124,875
Well 12 agreement	70,000	70,000				70,000
Groundwater Management	5,000	2,000	2,000	500	500	5,000
All Other	127,500	51,000	51,000	12,750	12,750	127,500
TOTAL EXPENSE BUDGET:	2,518,221	1,038,822	1,008,674	193,795	276,930	2,518,221
NET INCOME (EXPENSE):	-	70,041	(0)	0	-	-

INCOME BUDGET WORKSHEET-FYE 2012
DRAFT-05/03/11

Account #	Description	Ending Balance FYE 2010	Current Budget FYE 2011	Actual Income 3/31/2011	Projected Income April-June	End of Year Projection	% Budget	Proposed Budget FYE 2012
	WATER REVENUE							
xx4110	Residential Water Sales	905,652	855,000	513,052	200,440	713,492	83.45%	424,312
xx4115	Commercial Water Sales	100,392	108,500	73,590	23,678	97,268	89.65%	98,000
xx4120	Irrigation Water Sales	131,831	140,000	68,265	29,998	98,263	70.19%	99,000
xx4125	GWM Surcharge	106,145	108,000	69,302	25,051	94,353	87.36%	94,000
xx4130	Water Sales Power Portion	315,145	321,000	204,138	74,344	278,482	86.75%	277,000
xx4140	Readiness Charges Water	632,882	640,000	478,117	158,681	636,798	99.50%	635,000
xx4155	Meter Installation	24,610	30,000	48,872	-	48,872	162.91%	40,000
xx4162	Reconnect Fees	5,467	6,000	6,800	340	7,140	119.00%	6,500
xx4163/4165	Backflow Testing/Backflow installation	3,119	6,000	3,397	-	3,397	56.61%	3,300
xx4170	Water Bulk/pfmp	1,397	1,500	1,177	300	1,477	98.43%	1,200
xx4180	Penalty&Interest Water Collection	21,670	25,000	18,892	6,000	24,892	99.57%	24,000
	Total Water Revenue	**2,248,310**	**2,241,000**	**1,485,602**	**518,832**	**2,004,434**	**89.44%**	1,702,312
	AVAILABILTY CHARGES							
xx4200	641500-1% Property Assessments		36,000	41,077	-	41,077	114.10%	69,080
xx4210	641502 SA 1 water/sewer/flood control assessment	85,347	158,000	17,895		17,895	11.33%	45,000
01-4220	641501 Water Availability Standby-Admin	164,522	87,000	58,013	-	58,013	66.68%	82,673
03-4220	641504 SA 3 Water Stand-by Fee	34,700	30,000	9,954	-	9,954	33.18%	33,760
07-4230	641503 Pest control standby charge	78,306	18,000	9,740	-	9,740	54.11%	17,953
xx4280	Penalty & Interest-Availability Charges	747	2,000	1,000	-	1,000	50.00%	1,000
	Total Availability Charges	**363,621**	**331,000**	**137,679**	**-**	**137,679**	**41.59%**	249,465
	SEWER SERVICE CHARGES							
xx4310	TCS Holders Fees	180,839	180,000	135,163	45,036	180,199	100.11%	180,140
06-4320	TCS Users Fees	30,720	30,000	25,410	9,000	34,410	114.70%	36,000
10-4320	SA 5 Sewer Fees	131,807	131,000	97,891	33,000	130,891	99.92%	131,000
xx4325	SA 1 Sewer Fees	54,480	54,000	40,881	13,563	54,444	100.82%	54,400
xx4330	Penalty & Interest - sewer	-		1,414	300	1,714	0.00%	1,800
xx4340	Sewer Hook-UP Fees	-	1,000	-	-	-	0.00%	
xx4360	Inspection fees	200	500	-	-	-	0.00%	200
xx4370	Sewer Capacity Fees	2,851	3,500	2,138	-	2,138	61.10%	12,138
	Total Sewer Service Charges	**400,898**	**400,000**	**302,898**	**100,899**	**403,797**	**100.95%**	415,678

INCOME BUDGET WORKSHEET-FYE 2012
DRAFT-05/03/11

Account #	Description	Ending Balance FYE 2010	Current Budget FYE 2011	Actual Income 3/31/2011	Projected Income April-June	End of Year Projection	% Budget	Proposed Budget FYE 2012
	PARK/GOLF INCOME							
15-4605	CSD fees-Trash & Golf		92,406	72,680	24,227	96,907	104.87%	-
4610-4613	Golf receipts	25,554	27,594	16,370	5,448	21,818	79.07%	-
	Total Park/Golf income	**25,554**	**120,000**	**89,050**	**29,675**	**118,725**	**98.94%**	-
	OTHER INCOME							
xx4600	Rent Income San Diego County	7,584	7,584	5,710	1,929	7,639	100.72%	7,715
xx4602	Annexation Fees	-		500	-	500	0.00%	
xx4603	Plan Review Fee/Will Serve Commitments	6,046	12,000	-	-	-	0.00%	-
xx4790	Miscellaneous Income	16,282	15,000	8,113	-	8,113	54.09%	5,000
xx4730	Fire Hydrant Installation	-	-	-	-	-	0.00%	5,000
XX4791	Water Credits Administration Fee income	6,050	50,000	3,500	-	3,500	7.00%	5,000
XX4991	Gain on Asset Sold	1,500	2,000	-	-	-	0.00%	1,500
	Stag Grant				125,000			125,000
	Total Other Income	**37,462**	**86,584**	**17,823**	**126,929**	**19,751**	**22.81%**	149,215
	INTEREST INCOME							
xx4890	Interest Income LAIF	31	500	50	150	200	40.08%	50
xx4898	Interest Income Other	6,155	10,000	2,288	174	2,462	24.62%	1,500
	Total Interest Income	**6,186**	**10,500**	**2,339**	**324**	**2,663**	**25.36%**	**1,550**
	Total Budgeted vs Actual Income	**3,082,030**	**3,189,084**	**2,035,391**	**776,658**	**2,687,049**	**84.26%**	2,518,221

EXPENSE BUDGET WORKSEET-FYE 2012
DRAFT-05/03/11

ACCT #	General Ledger Account Name	Ending Balance FYE 2010	Current Budget FYE 2011	Actual Expense 3/31/2011	Projected Expense April-June	end of year projection	% Budget	Proposed Budget FYE 2012
	MAINTENANCE EXPENSE							
xx5600	R & M Buildings & Equipment	240,970	127,500	82,184	26,070	108,254	84.91%	$ 110,000.00
xx5601	R & M Sewer	37,997	35,000	16,284	9,000	25,284	72.24%	$ 35,000.00
xx5602	R & M Other				230	230		
xx5840	Telemetry Services	14,460	20,000	13,472	8,000	21,472	107.36%	$ 20,000.00
xx5890	Trash Removal	36,423	30,000	25,520	8,317	33,837	112.79%	$ 7,500.00
xx5896	Vehicle Expense	14,993	15,000	16,099	500	16,599	110.66%	$ 17,000.00
	Total Maintenance Expense:	**344,843**	**227,500**	**153,560**	**52,117**	**205,677**	**90.41%**	**$ 189,500.00**
	PROFESSIONAL SERVICES EXPENSE							
xx5100	Accounting	27,234	5,000	16,317	1,000	17,317	346.35%	$ 8,000.00
xx5120	Administrative Services	3,720	4,000	2,926	900	3,826	95.64%	$ 4,000.00
xx5160	Audit Fees	35,971	35,000	25,400	-	25,400	72.57%	$ 26,000.00
xx5200	Computer Billing	29,871	33,000	16,810	3,750	20,560	62.30%	$ 12,000.00
XX5260	Consulting/Technical	-	-	-	-	-		$ 25,000.00
xx5440	Engineering Services	-	1,000	-	4,000	4,000	400.00%	$ 25,000.00
xx5560/65	Legal Services	63,455	24,000	30,738	9,000	39,738	165.57%	$ 60,000.00
xx5860/61/62	Testing/Labwork	28,249	22,000	13,648	4,500	18,148	82.49%	$ 25,000.00
	Total Professional Services Expense:	**188,500**	**124,000**	**105,839**	**23,150**	**128,989**	**104.02%**	**$ 185,000.00**
	INSURANCE EXPENSE							
xx5520	Insurance	74,650	75,000	73,263	29,053	102,316	136.42%	$ 102,774.00
xx5521	Workmens Comp	24,046	24,000	15,842	4,844	20,687	86.20%	$ 20,000.00
	Total Insurance Expense:	**98,696**	**99,000**	**89,106**	**33,897**	**123,003**	**124.25%**	**$ 122,774.00**

EXPENSE BUDGET WORKSEET-FYE 2012
DRAFT-05/03/11

ACCT #	General Ledger Account Name	Ending Balance FYE 2010	Current Budget FYE 2011	Actual Expense 3/31/2011	Projected Expense April-June	end of year projection	% Budget	Proposed Budget FYE 2012
	PERSONNEL EXPENSE							
xx5190	Board Meeting Expense	49,740	41,000	50,125	1,200	51,325	125.18%	$ 22,000.00
xx5170/5172	Auto Allowance/Mileage Reimbursement	2,452	1,800	1,331	300	1,631	90.61%	$ -
xx5760	Salaries & Wages	1,212,699	1,104,223	850,755	228,000	1,078,755	97.69%	$ 826,918.00
xx5761	Accrued Sick/Vacation	16,377	26,000	13,000	-	13,000	50.00%	$ -
xx5800	Taxes on Payroll	31,510	36,000	20,890	7,500	28,390	78.86%	$ 32,930.00
xx5768	Salaries & Wages Contra Acct	(317,051)		(62,077)	(2,400)	(64,477)	0.00%	$ (18,000.00)
	Total Personnel Expense:	**995,726**	**1,209,023**	**874,025**	**234,600**	**1,108,625**	**91.70%**	**$ 863,848.00**
	EMPLOYEE BENEFITS EXPENSE							
xx5420	Medical Insurance Benefits	507,012	282,004	183,466	57,411	240,877	85.42%	$ 232,733.00
xx5421	Calpers Retirement Benefits		217,996	149,387	45,708	195,095	89.49%	$ 178,000.00
	Total Employee Benefits Expense:	**507,012**	**500,000**	**332,853**	**103,119**	**435,972**	**87.19%**	**$ 410,733.00**
	OFFICE EXPENSE							
xx5450	Equipment Rental/Maintenance agreements	23,181	24,000	13,668	3,600	17,268	71.95%	$ 18,000.00
xx5662	Office Supplies	33,960	30,000	16,162	4,500	20,662	68.87%	$ 20,000.00
xx5663	Office Equipment	25,666	20,000	7,333	1,500	8,833	44.17%	$ 12,000.00
xx5664	Office/Shop Utilities	13,032	13,000	10,161	3,000	13,161	101.24%	$ 15,000.00
xx5690	Postage & Freight	14,470	13,000	8,843	3,300	12,143	93.41%	$ 11,000.00
xx5820	Taxes on Property	2,262	3,000	2,290	-	2,290	76.35%	$ 2,291.00
xx5852	Answering Service	2,640	2,500	2,190	675	2,865	114.61%	$ 2,700.00
xx5858	Telephone/Internet	10,685	7,000	5,474	1,950	7,424	106.06%	$ 8,000.00
	Total Office Expense:	**125,897**	**112,500**	**66,122**	**18,525**	**84,647**	**75.24%**	**$ 88,991.00**
	UTILITIES EXPENSE							
xx5720/21/22/23/24	Pumping-Electricity	443,104	500,000	291,461	113,364	404,825	80.96%	$ 320,000.00
xx5854/5856	Cellular Phone	12,486	11,000	8,426	2,475	10,901	99.10%	$ 10,000.00
	Total Utilities Expense:	**455,591**	**511,000**	**299,887**	**115,839**	**415,726**	**81.36%**	**$ 330,000.00**

EXPENSE BUDGET WORKSEET-FYE 2012
DRAFT-05/03/11

ACCT #	General Ledger Account Name	Ending Balance FYE 2010	Current Budget FYE 2011	Actual Expense 3/31/2011	Projected Expense April-June	end of year projection	% Budget	Proposed Budget FYE 2012
	DEPRECIATION EXPENSE							
xx5140	Amortization Expense	6,488	16,491	12,369	4,122	16,491	100.00%	
xx53xx	Depreciation Expense	605,093	600,000	461,101	174,453	635,554	105.93%	
	Total Depreciation Expense:	**611,581**	**616,491**	**473,470**	**178,575**	**652,045**	**105.77%**	**$ -**
	OTHER EXPENSE							
xx5555	Interest Expense-COP 2008/Montesoro Well #12	159,739	125,000	93,656	31,219	124,875	99.90%	**$ 194,875.00**
xx5180	Bad Debt/collection Expense	3,570	5,000	3,215	600	3,815	76.29%	**$ 4,000.00**
xx5240	Conferences & Conventions	19,487	15,000	18,811	1,000	19,811	132.08%	**$ 8,000.00**
xx5241	Training	8,652	8,500	1,853	600	2,453	28.86%	**$ 2,500.00**
xx5260	Contract Labor	3,170	15,000	7,739	-	7,739	51.59%	**$ -**
xx5400	Dues & Subscriptions	7,860	10,000	4,396	-	4,396	43.96%	**$ 8,000.00**
xx5401	Regulatory Permit Fees	59,526	60,000	41,151	6,200	47,351	78.92%	**$ 45,000.00**
xx5402	Bank Fees	451	500	79	50	129	25.70%	**$ -**
xx5423	Community Relations	700	1,000	675	200	875	87.54%	**$ -**
xx5460	Fuel & Oil	54,102	54,000	37,443	12,900	50,343	93.23%	**$ 38,000.00**
5480/5483	GWM Planning	208,040		102	-	102		**$ 5,000.00**
xx5680	Other Expense	5,457	5,000	5,830	300	6,130	122.60%	**$ 2,500.00**
xx5681	Osha Requirements/Emergency preparedness	8,845	10,000	4,581	750	5,331	53.31%	**$ 7,500.00**
xx5700	Printing,Publications & Notices	4,741	5,000	1,012	1,200	2,212	44.24%	**$ 5,000.00**
xx5895	Uniforms	8,022	8,500	4,388	1,500	5,888	69.27%	**$ 7,000.00**
xx5960	Contingency Fund	-	83,561	5,495	-	5,495	6.58%	**$ -**
	Total Other Expense:	**552,362**	**406,061**	**230,428**	**56,519**	**286,947**	**70.67%**	**$ 327,375.00**
	Total Budgeted vs actual Expense	**3,880,207**	**3,805,575**	**2,625,288**	**816,341**	**3,441,629**	**90.44%**	**$ 2,518,221.00**

Dynamic CONSULTING ENGINEERS

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

7415 Imperial Business Park Dr., Suite B, Imperial, CA 92251 Tel. (760) 545-0162 Fax (760) 545-0163

MEMORANDUM

DATE: February 15, 2011, Revised May 20, 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. One of our five bolted steel (galvanized) tanks will need inside coating in this year. As internal inspections warrant, tanks will be coated in future years. 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. We have also included a project to video the sewer collection mains in years three and five. There are no previsions 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.

Groundwater Management

Included in the budget for FYE 2012 are $69,000 for the Viking Ranch fallowing project and $150,000 in FYE 2012 thru 2013 for design of groundwater implementation projects as per the proposal by Wildermuth Environmental Inc.

Wells, Booster Stations, Reservoirs and Associated Tranmission Mains	Priority			Reason	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
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													$ 800,000
Wastewater Plant	Priority			Reason	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
Catchment berm along north and northeast side of property	1			Containment	$ 5,000									
Pressure Reducing Stations	Priority			Reason	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
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										$ 25,000
Pipelines	Priority	length	size	Reason	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
Borrego Springs Rd, Weathervane Dr. to Barrel Dr.	1a	1500	10"	No pipeline, reduce system pressure			$ 112,500							
Borrego Springs Rd, Walking H Dr. to Tilting T Dr.	1b	2170	10"	No pipeline, reduce system pressure				$ 162,750						
Borrego Springs Rd, Tilting T Dr. to Country Club Rd. First half	1c	1900	10"	No pipeline, reduce system pressure					$ 142,500					
Borrego Springs Rd, Tilting T Dr. to Country Club Rd. Second half	1d	1800	10"	No pipeline, reduce system pressure						$ 135,000				
Borrego Springs Rd, Christmas Circle to Diamond Bar Dr.	1e	1040	10"	No pipeline, reduce system pressure							$ 78,000			
Borrego Springs Rd, Diamond Bar Dr. to T Anchor Dr.	1f	1580	10"	No pipeline, reduce system pressure								$ 118,500		
Borrego Springs Rd, Christmas Circle loop	1g	822	10"	No pipeline, reduce system pressure									$ 61,650	
Borrego Springs Rd, Upgrade 6" to 10" Country Club Rd. to San Pablo Rd.	1h	2200	10"	Undersized pipeline										$ 165,000
Borrego Springs Rd, Upgrade 8" to 10" 660' north of Weathervane Dr.	1i	660	10"	Undersized pipeline										$ 49,500
Circle J Dr.	2	1800	6"	Weakest existing pipeline		$ 108,000								
Bending Elbow Rd. First half	3	1700	6"	Weakest existing pipeline			$ 102,000							
Bending Elbow Rd. Second half	4	1700	6"	Weakest existing pipeline				$ 102,000						
Double O	6	3000	6"	3" main, limited fire flow cap.					$ 180,000					
Fairway Lane	5	600	6"	Old line, questionable taps						$ 36,000				
Club Circle East	7	1400	8"	Replace old mains							$ 105,000			
Club Circle West	8	1400	8"	Replace old mains								$ 105,000		
Borrego Valley Rd. South of Tilting T	9	2000	12"	Loop ID1-ID5 east side									$ 150,000	
De Anza Dr. 1600 block	10	1250	6"	Replace old mains										$ 75,000
Other Infrastructure	Priority	length	size	Reason	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr	10 yr
Fire Hydrant Replacements					$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
Groundwater Management														
Wildermuth Proposal					$ 150,000	$ 150,000								
Viking Ranch Fallowing					$ 69,000									
TOTAL - CAPITAL IMPROVEMENTS PROGRAM					**$ 236,000**	**$ 295,000**	**$ 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**	**$ 232,500**	**$ 185,000**	**$ 158,000**	**$ 162,000**	**$ 231,000**	**$ 173,500**
Total CIP and Short Lived Assets					**$ 521,000**	**$ 495,000**	**$ 361,500**	**$ 440,750**	**$ 567,000**	**$ 393,000**	**$ 4,053,000**	**$ 797,500**	**$ 854,650**	**$ 1,675,000**

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	$ 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	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					
Reclaim #2, Hyperlon 2005, 1 MG									$ 125,000	
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					$ 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
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**

BORREGO WATER DISTRICT
GROUNDWATER MANAGEMENT BUDGET

The FY 2011-2012 budget includes $150,000 for various tasks associated with groundwater management planning that have been identified from the plan the Board approved and presented at the Town Hall meeting March 30, 2011 (below). The financial plan includes $150,000 in FY 2013 and $100,000 in FY 2014. These fiscal years budgets are for groundwater management implementation planning necessary to begin the process of spreading the costs associated with the overdraft and bringing additional water supplies to the Valley among all the Valley's pumpers. However, the proposed increase does not include the cost for implementing such a plan. Additional information is contained in the following memo from Wildermuth Environmental, Inc.

Proposed Strategy of Present Board to Address the Overdraft - as of March 2011:

The present Board is currently investigating a new strategy to address the overdraft that is based solidly on California water law and that includes the following objectives:

- Return the District to fiscal stability and creditworthiness by January 31, 2013. This is absolutely necessary to implement any strategy to address the overdraft;
- Determine the various viable legal options for establishing rights of all pumpers to withdraw water from an overdrafted basin and determine the costs to ratepayers for each practicable option. By April 30, 2014;
- Perform the necessary legal, policy, and economic work not performed by the previous Board to determine how the District's water credits program may be used to facilitate the County's Groundwater Mitigation requirements for new development in the Valley without placing the District and its ratepayers at undue financial risk. By December 31, 2011;
- Work closely with the USGS and Reclamation teams to ensure that the Borrego Valley Groundwater Basin is fully defined and that options for managing the basin and for importing water for storage, recharge, and supplemental supply are evaluated on a timely basis. The Board has chosen to extend the due date of the USGS work so that the District will have time to complete its financial analyses and to select basin management alternatives to be applied and documented in the final report. The final USGS report is expected to be available by the first quarter 2012. The Reclamation report will include economic analyses of the cost for importing water from viable regional sources. The Reclamation report should be completed by December 2012;
- Determine how the investigations of Clark Lake aquifer and the San Felipe Creek groundwater sources as sustainable and affordable sources of potable water might continue and at what cost to the ratepayers. By December 31, 2011.

WILDERMUTH™
ENVIRONMENTAL INC.

April 14, 2011

Borrego Water District
Attention: Board of Directors
806 Palm Canyon Drive
Borrego Springs, CA 92004-3101

Subject: ***Update of the Groundwater Management Plan and Anza Borrego Desert Integrated Regional Water Management Plan***

Members of the Board:

Pursuant to Director Lyle Brecht's request, Wildermuth Environmental, Inc. (WEI) analyzed the *2009 Anza Borrego Desert Integrated Regional Water Management Plan* (ABD IRWMP) developed by Bill Mills and the *2002 Groundwater Management Plan* (GMP) and subsequently prepared a process description and cost estimate to update and synchronize those plans. Our observations regarding the *current situation on the ground* and past management plan efforts are listed below:

- The groundwater basin is in a serious state of overdraft, and the adverse economic consequences of overdraft are imminent. This is evident in the review of groundwater level and chemistry data and corroborated in the ongoing USGS studies in the basin where the hydrogeologic impacts of future pumping scenarios are being evaluated. It is highly unlikely that the overdraft and its attendant economic consequences will be self-correcting over time. What will be required is the active management of the basin to achieve an economically least-cost future for the Valley.
- The upper aquifer of the basin is deeper in the northern portion of the basin where agricultural production occurs and shallower in the southern portion of the basin where the District's production occurs. It is likely that the District's wells will go out of production long before any agricultural wells are threatened.
- In addition to these production problems, the District will most likely be required to treat groundwater, at great cost, prior to use as water quality deterioration is likely to be exacerbated as overdraft continues and the water levels of the upper aquifer drop towards the middle and lower aquifers. This requirement for advanced water treatment is common when withdrawals occur in older geologic sediments, which will occur in the basin as the water table in the upper aquifer drops further and withdrawals commence from the middle and lower aquifers.
- The Bureau of Reclamation is in the process of evaluating the importation of water into the ABD area; this work will be completed in the near future. The USGS investigation will also be completed in the near future. The implications of these two investigations will require updates to the GMP and the ABD IRWMP.

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That said, the District and other Valley stakeholders will need to develop and implement a GMP now to ensure sustainable water use both for the purposes of using the basin for water banking and if importation is not economically feasible at this time.

- The 2002 GMP produced recommendations that would limit groundwater production to a yield that would be sustainable over time.
- The 2009 ABD IRWMP produced recommendations to augment local supplies with imported water and did not incorporate the recommendations of the 2002 GMP; at present, the two plans are neither consistent nor synchronized.
- These two plans need to be updated and synchronized to enable the District to be eligible for state grants under Proposition 84—the 2012 state water bond, should it be approved by the voters—and other future state grant programs.

We have observed and/or participated in the development of GMPs and IRWMPs, and based on our experience in these processes,we respectfully recommend that the District and the Valley's other stakeholders commence with the actions described below in a deliberate and expedited manner.

Develop an Implementable Groundwater Management Plan and ABDIRWMP with the Clear Objective of Establishing a Managed Borrego Valley Groundwater Basin

Scope. The tasks required to develop an implementable groundwater management plan and an ABDIRWMP that are mutually supportive of the objective to establish a managed Borrego Valley Groundwater Basin include the following:

1. Establish a stakeholder group that will be administered by the District.
2. Clearly articulate the objectives of the GMP and ABD IRWMP.
3. Clearly articulate current and planned water use in the Borrego Valley Groundwater Basin.
4. Clearly describe the state of the Basin based on existing and new data collected as part of the development of the GMP.
5. Develop two management plan alternatives: one based on no importing of supplemental water and the other based on importing supplemental water.
6. Develop preliminary implementation plans and costs for each groundwater management plan alternative. The implementation plans must include schedules and milestones to achieving sustainable groundwater production.
7. Develop financing alternatives for each groundwater management plan alternative.
8. Complete CEQA/NEPA processes for the GMP and ABD IRWMP.
9. Conduct a public process consistent with IRWMP and CEQA scoping requirements.
10. Revise the GMP to comport with the CEQA/NEPA process.

Cost and Time Required to Complete this Work. The estimated cost to complete these plans is about $300,000 to $400,000, exclusive of CEQA/NEPA process. This cost assumes that the Bureau and the USGS'songoing work will be available for use in the GMP and ABD IRWMP. The cost of the CEQA/NEPA process will be largely driven by the imported water alternative; thus, its cost is difficult

to estimate. For planning purposes, the District should budget $100,000 for the CEQ/NEPA effort. It is estimated that it will take about two years to complete this work.

Development of the Governance Structure and Rules to Implement the Groundwater Management Plan for the Borrego Valley Groundwater Basin Portion of the ABDIRWMP that Establishes a Managed Basin

The scope of this effort will be determined more precisely during the development of groundwater management implementation and the ABDIRWMP. Based on our experience in the Beaumont and Chino Basins, it could cost between $1 million to $4 million and take two to four years to develop and implement a governance structure for establishing a managed Borrego Valley Groundwater Basin. There may be additional costs borne by the other pumpers in the basin, and these costs may also be considerable.

Please call me if you have any questions regarding the above or need further assistance in scoping and developing these plans.

Very truly yours,

Wildermuth Environmental, Inc.

Mark Wildermuth, PE
President

BORREGO WATER DISTRICT
CASH RESERVES POLICY

I. BACKGROUND AND INTRODUCTION

Reserves are needed because of risk. Water and sewer operations are inherently risky, given the potential liability associated with repairing and replacing infrastructure necessary for maintaining 24x7 operations for supplying water and sewer services to the homes and businesses of Borrego. In addition, water operations have risk associated with the volatility of revenue due to weather conditions. Reserves also assist in reducing rate shocks. Without them a water utility is exposed to rate instability. Rate instability increases the cost of borrowing. Reserves allow the District to smooth out rate increases. In addition, reserves help the District improve its credit rating, which translates into lower interest rates on debt and thus lower rates for the District's customers. Sometimes bond covenants require a rate stabilization reserve.

Many utilities operate in a state of revenue deficiency, which means they either rely on existing reserves, skimp on funding reserves, or defer economically prudent repair and replacement of infrastructure to the distant future where much higher costs will be borne by ratepayers to repair or replace infrastructure that has failed catastrophically. Becoming revenue sufficient means that a utility can count on receiving adequate revenues to fully fund utility operations, including debt service obligations, some portion of capital improvements from rate revenues, and reserves. Reserve accounts are a vital part of every water system's financial health.

This Board believes that operating with a revenue sufficiency is required, not only to remain creditworthy for future capital borrowing, but to replace depleted reserves necessary to operate most economically. For these reasons, the District will maintain reserve funds so as to provide working capital for operations; funds required by law, ordinance and bond covenant; and necessary cash for the scheduled and unscheduled repair and replacement of capital infrastructure; as well as funds set aside for groundwater management purposes.

Reserves are also necessary for the District to stabilize rates due to normal revenue and cost uncertainties, and to provide a prudent amount of insurance against economic downturns and emergencies. The efficient and discrete management of these cash reserves, when combined with their appropriate replacement as they are drawn down from time-to-time add additional assurance that the current levels of service reliability and quality that the District's ratepayers have grown to expect will continue into the future.

This reserve policy is based upon prudent financial management practices and those amounts required by legal, legislative and contractual obligations that are critical to the financial health of the District. This policy defines required fund types for segregation purposes and their funding levels that is based upon this District's unique operating, capital investment and financial plans.

II. **LEGALLY RESTRICTED RESERVES**. Legally Restricted Reserves are established and utilized for narrowly defined purposes and are protected by law or covenant. The District's Legally Restricted Reserves are the following, although none of these reserves are expected to be funded for FY 2012:

Debt Reserves. Reserves shall be formally transferred and restricted in accordance with all legal requirements.

System Growth Reserves. These reserves are used to offset capital projects or debt service related to new development in the District so that development pays for itself.

Rate Stabilization Reserves. These reserves are used to stabilize rates to the extent possible. This reserve, when filly funded, shall be maintained at level of thirty (30%) percent of the revenue generated from the commodity rate for water services and thirty (30%) percent of the total revenues from sewer services. This reserve is to defray any temporary unforeseen and extraordinary increases in the operating costs of the District.

III. BOARD RESTRICTED RESERVES

Operating or Working Capital Reserves. The purpose of this reserve is to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures. O&M reserves shall be targeted at an amount equal to three (3) months of the District's budgeted annual operating expenses beginning in FY 2012.

Contingency Reserves. The purpose of this reserve is to accommodate unexpected operational changes, legislative impacts or other economic events that may affect the District's operations which could not have been reasonably anticipated at the time the budget was prepared. For FY 2012 and beyond, the target level for this reserve is a minimum of one percent (1%) and a maximum of ten percent (10%) of the District's total operating expenses. Generally, the level will be increased as the level of economic uncertainty increases.

Capital Reserves

Asset Replacement. The purpose of the asset replacement reserve is to provide a cushion for unscheduled and scheduled repair and replacement of existing infrastructure. The target value of this reserve is twenty-five percent (25%) percent of the three (3) year average of the capital improvement program (CIP) beginning in FY 2012.

Emergency Reserve. The purpose of the emergency reserve is to protect the District and its customers against the impacts from unanticipated emergencies. It provides funding for emergency repairs or failure of essential equipment that must be immediately replaced. The emergency reserve target established for FY 2012 is $2,500,000 which should be sufficient to finance the required cash flow until such time that adequate emergency financing can be secured from conventional outside resources.

IV. OTHER RESERVE FUNDS. The District's Board may establish other cash reserve funds for specific needs that are over and above the reserves noted above as may be necessary from time to time.

		Estimated FY 2012	Projected FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
1	Existing Rate Revenue	$ 2,117,990	$ 2,117,990	$ 2,117,990	$ 2,117,990	$ 2,137,508	$ 2,157,220
3	Additional Revenue	$ 585,500	$ 1,346,800	$ 1,655,600	$ 1,994,200	$ 2,213,400	$ 2,446,600
5	**Total Revenue (/w Other Rev.)**	***$ 3,110,380***	***$ 3,756,195***	***$ 4,094,379***	***$ 4,459,261***	***$ 4,725,515***	***$ 5,011,246***
6	**O&M Expenses**	***$ 2,432,321***	***$ 2,503,191***	***$ 2,624,850***	***$ 2,752,593***	***$ 2,886,722***	***$ 3,027,558***
7	**Net Revenue**	**$ 678,059**	**$ 1,253,004**	**$ 1,469,529**	**$ 1,706,668**	**$ 1,838,793**	**$ 1,983,688**
8	Total Bond Issued	$ -	$ -	$ -	$ -	$ -	$ -
9	Issuance Expense & Reserve	$ -	$ -	$ -	$ -	$ -	$ -
10	Amount available for CIP	$ -	$ -	$ -	$ -	$ -	$ -
11	**CIP Financing**						
12	Cash CIP	$ 432,000	$ 519,750	$ 508,804	$ 510,223	$ 689,192	$ 437,765
13	Debt CIP	$ -	$ -	$ -	$ -	$ -	$ -
14	Existing Debt Service	$ 124,875	$ 124,875	$ 149,313	$ 255,713	$ 254,525	$ 253,113
15	New Debt Service	$ -	$ -	$ -	$ -	$ -	$ -
16	***Total Debt Service***	***$ 124,875***	***$ 124,875***	***$ 149,313***	***$ 255,713***	***$ 254,525***	***$ 253,113***
17	**Net Annual Cash Balance**	**$ 121,184**	**$ 608,379**	**$ 811,412**	**$ 940,733**	**$ 895,076**	**$ 1,292,811**
18	Beginning Reserves Level	$ 383,337	$ 504,520	$ 1,112,900	$ 1,924,312	$ 2,865,045	$ 3,760,121
19	**Ending Reserves Level**	**$ 504,520**	**$ 1,112,900**	**$ 1,924,312**	**$ 2,865,045**	**$ 3,760,121**	**$ 5,052,931**
20	Upper Target Reserve Level	$ 4,029,327	$ 4,084,422	$ 4,165,487	$ 4,234,258	$ 4,723,011	$ 4,848,148
21	Lower Target Reserve Level	*$ 3,202,338*	*$ 3,233,337*	*$ 3,273,038*	*$ 3,298,376*	*$ 3,741,525*	*$ 3,818,778*
22	Coverage Ratio	543%	1003%	984%	667%	722%	784%

BORREGO WATER DISTRICT
PROPOSED RATES FOR
FISCAL YEARS 2012- 2016

Sewer Rates

The District provides sewer service to Improvement Districts 1, 2 and 5. Changes are being proposed only for Districts 1 and 5. The District's monthly sewer charges are based on one equivalent dwelling unit (EDU) usage of 250 gallons per day, for a typical single family residence. Commercial projected EDU requirements are determined on a case-by-case basis. Sewer customers are charged a fixed monthly holder fee, and a monthly user fee based on number of EDU's. It is proposed that this current structure for sewer charges remain unchanged. The Board of Directors may consider changes to this basic rate structure at a later date.

Sewer service charges are proposed to change as shown in the following table:

Sewer Rates						
	Current Rates	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
ID -1	$ 17.14	$ 22.29	$ 28.98	$ 30.43	$ 31.96	$ 33.56
ID -5	$ 32.00	$ 41.60	$ 54.08	$ 56.79	$ 59.63	$ 62.62

Water Rates

The District's water rates have two components: 1) a **Fixed Meter Charge** based on the customer's meter size, to recover a portion of the District's fixed costs of operating, maintaining and delivering water, and 2) a **Commodity Charge**, determined by the amount of water used. The current rate structure fixes the customer's Commodity based on the Improvement District the customer is in, and for residential customers, whether the customer's water usage is from 0 to 45 Units in Winter or 0 to 55 Units in Summer (Tier 1): or over 45 Units in Winter or over 55 Units in Summer (Tier 2). It is proposed that this basic rate structure for water rates remain unchanged, however, the Board of Directors may consider changes to the rate structure at a later date.

Fixed Meter Charges are proposed to change as shown in the following table:

Water Rates for All ID's						
Fixed Charge	**Current Rates**		**Proposed**	**Rates**		
Meter Size	$/Mo.	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
3/4"	$ 19.58	$ 25.45	$ 33.09	$ 36.40	$ 40.04	$ 42.04
1"	$ 28.62	$ 37.21	$ 48.37	$ 53.20	$ 58.53	$ 61.45
1 1/2"	$ 48.26	$ 62.74	$ 81.56	$ 89.72	$ 98.69	$ 103.62
2"	$ 73.05	$ 94.97	$ 123.45	$135.80	$ 149.38	$ 156.85
3"	$ 132.67	$172.47	$ 224.21	$246.63	$ 271.30	$ 284.86
4"	$ 211.50	$274.95	$ 357.44	$393.18	$ 432.50	$ 454.12
6"	$ 422.00	$548.60	$ 713.18	$784.50	$ 862.95	$ 906.10

Commodity Rates are proposed to change as shown in the following table:

	Current Rates			Proposed Rates (All ID's)				
Winter	ID-1	ID-3	ID-4 & 5	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Tier 145	$ 1.02	$ 1.23	$ 1.12	$ 1.46	$ 1.90	$ 2.09	$ 2.30	$ 2.42
Tier 2> 45	$ 1.53	$ 1.84	$ 1.68	$ 2.19	$ 2.85	$ 3.14	$ 3.46	$ 3.64
Summer								
Tier 155	$ 1.02	$ 1.23	$ 1.12	$ 1.46	$ 1.90	$ 2.09	$ 2.30	$ 2.42
Tier 2> 55	$ 1.53	$ 1.84	$ 1.68	$ 2.19	$ 2.85	$ 3.14	$ 3.46	$ 3.64

Other Rates and Fees

Any rates or fees associated with water or sewer service that are not addressed in this Notice shall remain in full force and effect as previously adopted by the Board of Directors.

Pass Through Costs

Pursuant to AB 3030, the District Board will also authorize the pass-through of future rate and charge increases by San Diego Gas & Electric for electricity rates associated with storing, treating, pumping, and delivering water. This authorization will be in effect for five years, until June 30, 2016. The Board will hold a public hearing to review the proposed increases prior to enacting any such charges.

BORREGO WATER DISTRICT

April 2011

WATER OPERATIONS REPORT

WELL	TYPE	FLOW RATE	STATUS	COMMENT
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 and ID-5 Total Cap. 0.25 MGD (million gallons per day):
Average flow: 77,043 (gallons per day)
Peak flow: 90,486 gpd Saturday, April 2nd

All restaurant grease traps were clean.

System Problems: None.

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WATER PRODUCTION SUMMARY
April 2011

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
Apr '10	91.08	9.86	112.32	15.57	228.83
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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
Feb '11	74.16	9.36	109.79	8.68	201.99
Mar '11	58.56	7.87	93.55	8.57	168.55
Apr '11	109.04	11.86	111.39	16.08	248.37
12 Mo. TOTAL	990.20	153.73	1485.63	172.48	2802.04

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
Apr '11	0.06	0.93	9.96	N/A	3.65
12 Mo. Average	1.35	1.54	11.24	N/A	4.71

BORREGO WATER DISTRICT

Water Production / Use Records

ID # 1

Month of April 2011

Water Production (Acre Feet)

Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Total	LessID3&4
APR'10	0.00	0.00	0.00	29.41	27.77	43.76	100.94	91.11
MAY'10	0.00	0.00	0.06	31.01	30.51	60.18	121.76	110.41
JUN'10	0.00	0.00	5.94	18.97	12.68	40.67	78.26	63.26
JUL'10	0.55	0.79	0.00	6.77	42.96	29.10	80.17	65.13
AUG'10	0.00	0.00	4.43	7.34	42.89	42.72	97.38	79.99
SEP'10	0.00	0.00	0.03	13.12	52.24	38.69	104.08	83.14
OCT'10	0.00	0.00	17.06	10.48	16.20	35.68	79.42	66.32
NOV'10	10.53	12.70	16.83	14.81	43.96	50.32	149.15	138.45
DEC'10	0.00	0.00	0.00	21.85	33.05	60.19	115.09	103.47
JAN'11	0.93	1.18	0.00	21.04	22.62	2.00	47.77	39.61
FEB'11	0.00	0.00	0.00	14.73	39.51	29.28	83.52	74.20
MAR'11	0.00	0.00	0.16	10.67	26.97	28.63	66.43	58.59
APR'11	0.00	0.00	0.00	37.56	32.95	50.39	120.90	109.04
TOTALS	12.01	14.67	44.51	208.35	396.54	467.85	1143.93	991.61

Water Use (Acre Feet)

Date	Domestic	Irrigat'n	Constrt'n	Golf Course	ID 3	ID 4	Total	Water Loss	% Loss
APR'10	10.66	9.48	0.00	72.96	9.83	0.00	102.93	-1.99	-1.97%
MAY'10	11.06	11.63	0.00	87.58	11.35	0.00	121.62	0.14	0.11%
JUN'10	11.76	12.88	0.00	43.63	15.00	0.00	83.27	-5.01	-6.41%
JUL'10	14.15	15.33	0.00	30.68	15.04	0.00	75.20	4.97	6.20%
AUG'10	14.21	16.81	0.00	41.49	17.39	0.00	89.90	7.48	7.68%
SEP'10	16.18	22.21	0.00	43.61	20.94	0.00	102.94	1.14	1.09%
OCT'10	12.08	19.42	0.00	37.57	13.10	0.00	82.17	-2.75	-3.45%
NOV'10	12.11	14.23	0.00	108.88	10.70	0.00	145.92	3.23	2.17%
DEC'10	11.79	14.14	0.00	76.70	11.62	0.00	114.25	0.84	0.74%
JAN'11	6.89	6.46	0.00	24.30	8.16	0.00	45.81	1.96	4.11%
FEB'11	8.99	12.35	0.00	51.33	9.32	0.00	81.99	1.53	1.82%
MAR'11	7.66	7.49	0.00	42.24	7.84	0.00	65.23	1.20	1.79%
APR'11	11.42	12.69	0.00	84.16	11.86	0.00	120.13	0.77	0.64%
TOTALS	138.30	165.64	0.00	672.17	152.32	0.00	1128.43	15.50	1.35%

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

	La Casa del Zorro Total Acre Feet		Deep Well Trail / Others Acre Feet			Total	Total	Total
Date	Irrigat'n	Domestic	Irrigat'n	Domestic	Total	Irrigat'n	Domestic	Acre Feet
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
FEB'11	0.00	0.65	0.57	8.03	8.60	0.57	8.68	9.25
MAR'11	0.00	0.61	0.45	6.79	7.24	0.45	7.40	7.85
APR'11	0.00	0.69	0.66	10.40	11.06	0.66	11.09	11.75
TOTALS	0.00	8.27	14.23	127.48	141.71	14.23	135.75	149.98

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
APR'10	9.82	9.64	0.18	1.83%
MAY'10	11.35	11.15	0.20	1.76%
JUN'10	15.00	14.60	0.40	2.67%
JUL'10	15.04	13.88	1.16	7.71%
AUG'10	17.39	17.96	-.57	-3.28%
SEP'10	20.94	20.39	0.55	2.63%
OCT'10	13.10	13.04	0.06	0.46%
NOV'10	10.70	10.62	0.08	0.75%
DEC'10	11.62	11.46	0.16	1.38%
JAN'11	8.16	8.03	0.13	1.59%
FEB'11	9.32	9.25	0.07	0.75%
MAR'11	7.84	7.85	-.01	-.13%
APR'11	11.86	11.75	0.11	0.93%
TOTALS	152.32	149.98	2.34	1.54%

BORREGO WATER DISTRICT

Water Production / Use Records

ID # 4

Month of April 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
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	4.59	0.06	0.00	134.36	123.38
JAN'11	0.00	0.00	4.11	5.74	10.47	56.25	2.56	0.00	0.00	79.13	73.97
FEB'11	0.00	0.00	59.61	13.52	12.22	25.75	7.37	0.00	0.00	118.47	109.79
MAR'11	0.00	0.00	52.95	12.56	9.76	23.31	3.54	0.00	0.00	102.12	93.55
APR'11	0.00	0.00	55.03	17.90	10.56	39.41	4.44	0.13	0.00	127.47	111.39
TOTALS	0.00	0.00	641.00	170.02	136.19	647.46	53.66	3.13	0.00	1651.46	1478.98

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
APR'10	127.89	113.19	14.70	11.49%	15.57
MAY'10	129.57	115.08	14.49	11.18%	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	112.10	4.94	4.22%	16.60
DEC'10	134.36	105.42	28.94	21.54%	10.98
JAN'11	79.13	78.23	0.90	1.14%	5.16
FEB'11	118.47	97.28	21.19	17.89%	8.68
MAR'11	102.12	87.19	14.93	14.62%	8.57
APR'11	127.47	117.51	9.96	7.81%	16.08
TOTALS	1651.46	1465.88	185.58	11.24%	172.48