

**AGENDA**  
**Borrego Water District Board of Directors**  
**Regular Meeting**  
**July 27, 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 June 14, 2011 (page 3)
  - Regular meeting & Public Hearing of June 22, 2011 (page 6)
- 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:
  - Christmas Circle Community Park (page 11)
- I. Staff Reports:
  - A. Financial Reports – June 2011 (page 13)
  - B. Manager / Operations Report (page 60)
- J. Attorney's Report

**II. CURRENT BUSINESS MATTERS**

- A. Presentation from JPIA representative regarding insurance services.
- B. Approval of the RFC reference letter submitted by the Strategic Planning Committee. (page 65)
- C. Discussion and possible action regarding San Diego County groundwater mitigation draft ordinance.
- D. Discussion and possible action regarding hiring a technical consultant to assist in developing a planning grants proposal to the California Department of Water Resources (DWR) Integrated Regional Water Management (IRWM) planning grants program (page 66)
- E. Discussion and possible approval of Second Amendment to Bargain Sale Agreement & Donation Agreement with Lundavid, Viking Ranch. (page 137)
- F. Discussion and possible approval of Settlement Agreement and Release, with Monica Real Estate Holdings, L.P. (page 154)
- G. Discussion and possible approval of Water Credit Reimbursement Policy. (page 161)
- H. Discussion and possible approval of expenditure of \$8,216.62 for USGS Water Quality testing. Amount to be deducted from USGS Invoice. (page 163)
- I. Consideration and Approval of Resolution ***2011-7-1 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY*** (page 165)
- J. Consideration of ***RESOLUTION NO. 2011-7-2 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATIONS AND MAINTENANCE OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON LAND WITHIN THE DISTRICT FOR THE FISCAL YEAR 2011-2012*** (page 168)
- K. Consideration of ***RESOLUTION NO. 2011-7-3 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COSTS OF OPERATIONS AND MAINTENANCE OF THE DISTRICT, AND TO PAY COSTS OF OPERATIONS AND MAINTENANCE FOR IMPROVEMENT DISTRICT NO. 1 AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT DISTRICT NO. 1 FOR THE FISCAL YEAR 2011-2012*** (page 171)

- L. Consideration of **RESOLUTION NO. 2011-7-4 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF PROVIDING PEST CONTROL SERVICES BY THE DISTRICT AND REQUESTING LEVY AND COLLECTION OF SAID CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2011-2012** (page 175)
- M. Consideration of **RESOLUTION NO. 2011-7-5 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATING AND MAINTAINING THE WATER FACILITIES WITHIN IMPROVEMENT DISTRICT NO. 3 OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2011-2012** (page 179)
- N. Consideration of **RESOLUTION NO. 2011-7-6 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE BORREGO WATER DISTRICT AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2007-1 FOR THE FISCAL YEAR 2011-2012** (page 183)
- O. Consideration of cancelling August Regular Board meeting

**III. COMMITTEE REPORTS & PROPOSALS**

**Ad Hoc Committees**

- |                                      |                                   |
|--------------------------------------|-----------------------------------|
| 1. Audit Committee                   | (M. Brecht, L. Brecht) (page 211) |
| 2. Due-Diligence                     | (M. Brecht, L. Brecht) (page 212) |
| 3. Strategic Planning Committee      | (Hart, L. Brecht) (page 213)      |
| 4. IRWM Committee                    | (Shimeall, L. Brecht)             |
| 5. Executive Committee (Cameron)     | (Estep, Hart)                     |
| 6. Operations & Management Committee | (M. Brecht, Hart)                 |
| 7. Asset Ad Hoc Committee            | (Shimeall, M. Brecht)             |
| 8. Negotiating Committee (Viking)    | (Estep, Hart)                     |

**IV. STAFF REPORTS**

- A. Water and Wastewater Operations Report – June 2011 (page 215)
- B. Water Production/Use Records – June 2011 (page 217)
- C. Year to Date Meter Installations (page 221)
- D. Meter Installation History (page 222)

**V. CLOSED SESSION**

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR - Reference Government Code Section 54956.8:

|                      |                 |
|----------------------|-----------------|
| Property:            | Montesoro       |
| District Negotiator: | Jerry Rolwing   |
| Negotiating Parties: | Raymond Bolanos |
| Under Negotiation:   | Price and terms |

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Reference Government Code section 54956.8

|                     |   |
|---------------------|---|
| Property:           | 199-080-21                              |
| Agency negotiators: | Lee Estep, Beth Hart, and Jerry Rolwing |
| Negotiating party:  | Jack Cameron                            |
| Under negotiation:  | Price and terms                         |

**VI. INFORMATIONAL ITEMS**

**VII. CLOSING PROCEDURE, Adjournment**

The next Special Meeting of the Board of Directors is scheduled for September 20, 2011 at the Borrego Water District.  
 The next Regular Meeting of the Board of Directors is scheduled for September 28, 2011 at the Borrego Water District.



but since legal opinions on the issue are vague, he suggested addressing the matter in the Groundwater Management Implementation Plan.

## II. CURRENT BUSINESS MATTERS

A. Discussion and possible action regarding CSD fees and Golf Course continuation: Sheree Pilot of Santiago Estates spoke in opposition to the CSD fees on behalf of her community. Mr. Rolwing explained that the District is operating the Club Circle golf course at a shortfall. The CSD had the advantage of cheaper labor and provided its own water free of charge, which BWD cannot legally do. Mr. Russell listed the CSD fee rates, which vary depending on type of residence and proximity to the golf course. Mr. Rolwing noted that BWD had considered asking the voters to establish a District-wide park fee, but with the current rate increase it is not a good time. Director Lyle Brecht pointed out that the District cannot subsidize golf course expenses with water and sewer fees. Discussion followed regarding the possibility of terminating the District's 20-year lease of the golf course from the Cameron Brothers. The lease had been a requirement to seek grant funds for a pedestrian walkway around the course, but now the District has inadequate funds to remove the turf and retrofit the irrigation. Mr. Russell suggested perhaps the Camerons could supply water to the golf course from its agricultural pond. Hilda MacFarland, a Chamber of Commerce volunteer, pointed out that many visitors to Borrego Springs want to play an inexpensive, short golf course such as Club Circle. Mr. Russell suggested using volunteers to monitor the course instead of the current honor box, which does not guarantee payment of green fees.

Jim Moxham, representing the Cameron Brothers and Borrego Springs Resort, suggested that he, Mr. Russell and Abby King meet with District representative(s) and develop a proposal to present to the Board. President Hart asked Mr. Rolwing to represent the District. Mr. Moxham agreed to try to have a proposal ready for the June 22 meeting.

B. Report of costs for major repair and replacement items: Mr. Rolwing summarized his report in the Agenda on the Estimated Costs of System Components. Well expenses were listed for new production wells, rehabilitation of existing wells, new pumps, new motors, control valves, the SCADA well/tank operation system and regulatory permits. In response to Director Lyle Brecht, he confirmed that all were operations and maintenance expenses except the new production wells. Prices for chemicals and replacement parts were also included, based on inventory records.

C. 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 had been addressed at a prior meeting.

D. Q&A regarding rate increase and June 22<sup>nd</sup> hearing: Mr. Rolwing presented a slide show prepared by Sanjay Gaur, which will be used at the June 22 hearing to outline the proposed restoration of the District's reserve funds. Director Lyle Brecht emphasized the need to assure the public that the District does in fact need reserves, and Ray Delahay cited the repair and replacement costs presented today by Mr. Rolwing. Director Lyle Brecht added that the District needs to restore its borrowing ability. Mr. Rolwing summarized the presentation, which included revenue projections with and without a rate increase and assumed future inflation rates.

Discussion followed regarding suggested modifications to the slide show. Acronyms such as "O&M" and "CIP" should be spelled out when first used. Suggestions were made regarding formatting, colors and borders. The fact that the proposed rate increases are maximums should be clear. The terms "improvement district" and "service area" are interchangeable, but we should be consistent and use one or the other. Comparisons with rates of other Districts were discussed, and Mr. Rolwing agreed to talk to Mr. Gaur about including them. Judy Meier suggested presenting an average dollar amount of monthly rate increase. Mr. Rolwing noted that the average usage last year for a ¾" meter was 26 units, so we could base the estimate on that.

The Board discussed the format of the public hearing and June 22 meeting. Mr. Rolwing recommended a regular Board meeting followed by the hearing at 11:00 a.m. Mr. Gaur will make his presentation, then offer to answer questions. Discussion followed regarding the public participation format. It was agreed that the Board could answer questions as they arose. Public comments will be limited to three minutes, and "request to speak" sheets will be available. At the close of the hearing, the protest tally will be presented.

### **III. CLOSED SESSION**

#### **A. Conference with Real Property Negotiators pursuant to Govt. Code section 54956.8:**

Property: 140-030-03, 140-030-05  
Agency negotiators: Lee Estep, Beth Hart, and Jerry Rolwing  
Negotiating parties: Lance Lundberg  
Under negotiation: price and terms

#### **B. Conference with Legal Counsel pursuant to Govt. Code section 54956.9(b) and (c) regarding Anticipated Litigation and/or Initiation of Litigation (one case):**

President Hart noted that the Board had received no additional background information on Items III.A and B and would dispense with the closed session.

### **IV. CLOSING PROCEDURE**

Adjournment: There being no further business, the meeting adjourned at 11:30 a.m. The next meeting of the Board of Directors is scheduled for June 22, 2011 at the Borrego Water District.

**Borrego Water District  
MINUTES  
Regular Meeting of the Board of Directors  
Wednesday, June 22, 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, Shimeall  
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* Ray Delahay  
Dennis Dickinson Dick Walker  
Bob McKee Julian Peabody  
Lane Sharman Randi Sharman  
Jim Wilson, RRC Association Brian Cegliski, RRC – Springs  
Don Klein Jack Cameron, BSR  
Shelli Merrick Clare Hagan  
Greg Garth Jim Engelke  
Bob Mendenhall Kathy Godwin  
Marjorie Chandler Chris Cook, BSR  
Bill Haneline Linda Haneline  
Sue Salt Mike Gaffney, Hacienda del Sol  
Victor Levine Mark Leon, Hacienda del Sol  
Kathy O'Meara Catherine Gay  
Rebecca Falk, RRR Grace Preston  
Jack Godwin Rayleen Liebhardt  
Jere Hansen Diane Deitz  
Richard Denton Mary Helen Prince  
Elizabeth Rodriguez Sanjay Gaur, RFC
- D. Approval of Agenda: ***MSC: approving the Agenda as written.***
- E. Approval of Minutes:

Special meeting of May 17, 2011

Director Lyle Brecht made the following corrections: Minutes page 1 (Agenda page 1A), Item II.A, ". . . handouts prepared by Raftelis Financial Consultants, Inc. (RFC)." ". . . build reserves to their ~~optimal~~ fiscally prudent target level . . . ." Minutes page 2 (Agenda page 1B), Item II.E, ". . . notices were mailed to their ~~summer~~ billing addresses." ***MSC: L.Brecht/Shimeall approving the Minutes of the Special Meeting of May 17, 2011 as amended.***

Regular meeting of May 25, 2011

Director Lyle Brecht made the following corrections: Minutes page 2 (Agenda page 3), Item I.I.B, ". . . protests would be required to override the proposed rate increase noticed in the mailing of May 6, 2011." Item III.7, ". . . there will be no adverse consequences . . ." Add at the end of the item, "None of these assertions are true." Minutes page 4 (Agenda page 5), Item II.F, ". . . volunteered to serve on an asset ad hoc committee. . . ." President Hart asked that the words "for the EPA" be added at the end of the first paragraph of Item I.I.B (Minutes page 2, Agenda page 3). **MSC: L.Brecht/Shimeall approving the Minutes of the Regular Meeting of May 25, 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:** Lane Sharman explained that he and Jerry Rolwing had discussed an issue involving the developer of a project approved at the County level who drills his own well and does not purchase water from the District. Is he still required to meet the 2:1 mitigation requirement? Mr. Rolwing pointed out that the District's only enforcement occurs when the will-serve letter is signed, so if the County lets the project proceed without that, BWD has no authority. He brought the issue to the County's attention, but they said the District has no regulatory power over wells. Mr. Sharman opined that the District could invoke correlative rights under State law as an appropriator. Mr. Rolwing agreed to follow up with Jim Bennett. Julian Peabody suggested contacting Yuima County, which has experienced a similar issue.

Elizabeth Rodriguez requested that in the future notices of the time and location of public hearings be posted a week in advance.

**H. Correspondence:**

United States Environmental Protection Agency

Mr. Rolwing reported that the District's grant application with the Border Environmental Cooperative Commission for exploratory wells at Clark Lake had been denied.

**I. Staff Reports:**

**A. Financial Reports – May 2011**

Kim Pitman reported that the cash increased by approximately \$49,000 last month but will catch up in June with the posting of the accounts payable. Bob McKee inquired about a trash service expense, and Mr. Rolwing explained it was for all of ID 5 (170 units).

**B. Manager/Operations Report**

Mr. Rolwing invited the Board's attention to his written report in the Agenda. He reported that on June 20 the former CSD treatment plant was inspected and subsequently shut down.

Director Lyle Brecht inquired about Mr. Rolwing's meeting with Bill Mills and the U.S. Department of Reclamation staff. Mr. Rolwing explained that the STAG grant team was waiting for information from the Bureau of Reclamation study, and vice versa. Mr. Mills is assisting with coordination of the two studies. President questioned the statement in Mr. Rolwing's written report that Borrego has no entitlement to Colorado River water. Mr. Rolwing explained that we may be able to store Colorado River water, but we cannot keep it. The issue is debatable.

Mr. Rolwing reported that the County groundwater ordinance will be available on June 30, followed by a 30-day comment period.

Seven of eight escrows at Montesorro have closed. The remaining transaction includes the golf course, outlying property and vacant land.

**J. Attorney's Report:** None

## **II. CLOSED SESSION**

**A. Conference with Real Property Negotiators pursuant to Govt. Code section 54956.8:**

Property: 199-080-21

Agency negotiators: Lee Estep, Eleanor Shimeall, and Jerry Rolwing

Negotiating party: Jack Cameron

Under negotiation: price and terms

The Board adjourned to closed session at 9:40 a.m., and the open session reconvened at 10:10 a.m.

### III. CURRENT BUSINESS MATTERS

A. Discussion and possible action regarding CSD fees and Golf Course continuation in ID5:  
Director Estep announced that the Board had discussed the contract and lease agreement with the Cameron Brothers for operation of the Club Circle golf course. The Board decided to send a letter to the Camerons advising them that the conditions precedent were not carried out as far as the contract is concerned and the District is giving 30 days' notice of intent to breach the contract. The District will pay the Camerons \$20, the full value of the 20-year lease at \$1 per year. President Hart pointed out that the District had signed the contract assuming grant funds would be available for a park around the perimeter of the course.

### IV. COMMITTEE REPORTS & PROPOSALS

#### Ad Hoc Committees

1. Audit

Director Marshal Brecht reported that he had spoken with a representative of Diehl Evans.

2. Due-Diligence

No report.

3. Strategic Planning Committee

Mr. Rolwing announced that a Strategic Planning Committee meeting had been scheduled for June 29 at 9:00 a.m. in the District office. Director Lyle Brecht will speak about the groundwater management implementation plan and coordination with the IRWMP.

4. IRWM Committee

Director Lyle Brecht suggested providing documentation regarding the IRWMP to the State Facilitator in advance of her arrival. County requirements will be included once the groundwater management ordinance has been finalized. Director Lyle Brecht suggested providing input to the County during the comment period.

5. Executive Committee (Cocopah)

President Hart requested that the Executive Committee (Cocopah) be disbanded.

6. Executive Committee (Cameron)

This committee's report was presented under Item III.A.

7. Executive Committee (FAQs)

President Hart requested that the Executive Committee (FAQs) be disbanded after today.

8. Operations & Management Committee

President Hart reported that the Operations & Management Committee was still collecting information and had not met.

### V. STAFF REPORTS

A. Water and Wastewater Operations Report – May 2011:

B. Water Production/Use Records – May 2011:

Mr. Rolwing invited the Board's attention to the reports in the Agenda and offered to answer questions. Operations are proceeding smoothly.

### VI. ADJOURNMENT TO BORREGO SPRINGS HIGH SCHOOL COMMUNITY ROOM, 2291 Diegueno Road, Borrego Springs, at 11:00 A.M.

The Board adjourned at 10:25 a.m., and reconvened at 11:00 a.m. in the Borrego Springs High School Community Room. Those present stood for the Pledge of Allegiance.

Mr. Rolwing introduced Sanjay Gaur of Raftelis Financial Consultants, Inc. (RFC). RFC specializes in utility rate studies and was retained by the District to make recommendations leading to restoration of its financial stability. He announced that speakers today would be limited to three minutes each and would not be counted as protests, which must be in writing and must be submitted by the end of the public hearing.

President Hart urged the public to visit the District's website and added that hard copies of the information contained therein are available at the District office for review. She emphasized the Board's goal to ensure a safe, reliable water supply and sanitary sewage disposal. Since the District's cash reserves were depleted under the previous administration, we are no longer able to borrow money. Recent cost saving measures include cancellation of health insurance for Directors, changing legal counsel, combining the positions of Operations Manager and General Manager and eliminating future unfunded obligations. President Hart pointed out the need to be prepared for unexpected expenses due to disasters, emergencies and governmental changes. She added that the rate changes proposed today are based on a "worst case" scenario, and after the first year's 30 percent increase they may not be as high.

Director Lyle Brecht explained that the proposed rate increase would serve two primary purposes: provide a minimum cash flow to pay for infrastructure improvements, and to begin accumulating reserves. Financial stability will ensure preventive maintenance and sound business practices. Director Lyle Brecht emphasized the need to address the aquifer overdraft. The issue has been thoroughly studied and we now need to look into water banking, storage and importation.

Mr. Gaur presented slides depicting the key assumptions of his study, the District's current condition, the proposed financial plan and its impacts. The plan objective was to determine the District's cash flow requirements to fund operations and maintenance and capital improvement program while meeting reserve requirements and debt coverage ratio. The planning period covered years 2012 through 2017, with proposed rate increases July 1 of each year. The plan did not assume the sale of Montesoro, so if it sells the financial picture will be better. Reserve targets are expected to be met by 2017. Mr. Gaur presented current and proposed rates. Among five similar communities surveyed, Borrego's are now the lowest and with the proposed increase would be second lowest.

Ms. Rodriguez inquired about legal costs should the District declare bankruptcy. Director Lyle Brecht explained that bankruptcy proceedings would be costly and time-consuming and would not offer the District significant relief because it is not heavily in debt. Courts often deny bankruptcy petitions from public agencies since they have the ability to raise revenue.

Rayleen Liebhardt asked about the improvement districts. Mr. Rolwing replied that ID 1 is Montesoro, ID 2 is the town center sewer, ID 3 is Deep Well and Borrego Ranch, ID 4 is the former Borrego Springs Water Company (Indian Head to San Pablo and Roadrunner Club), and ID 5 is the former Borrego Springs Park Community Services District.

Ms. Liebhardt asked whether the District had adopted a capital improvement plan for the next three to five years, and President Hart replied that it had. It is available on the website.

## V. ADDITIONAL BUSINESS MATTERS

A. Public Hearing to hear testimony and consider adoption of a resolution regarding the proposed water and sewer rate changes: President Hart opened the public hearing at 11:45 a.m. Brian Ceglski, representing the Wright family, the Roadrunner Club and The Springs at Borrego, conveyed his support for the proposed rate increase.

Jim Wilson, representing the Roadrunner Club Association and the Roadrunner Club (341 homes), also supported the proposed increase.

Ms. Liebhardt suggested that the wording of Resolution 2011-06-01 be modified to provide for a 30 percent increase in 2011 and subsequent annual reevaluation. President Hart explained that the Proposition 218 process requires notice of the maximum amount of the rate increase. The Board will

always be in a position to adjust future increases downward. Repeated 218 processes would place an unnecessary financial burden on the ratepayers.

**There being no further comments, the public hearing was closed.**

**B. Consideration of the Board to adopt RESOLUTION 2011-06-01 ESTABLISHING WATER AND SEWER SERVICE RATES:** Mr. Rolwing announced that the District had received 165 written protests. At least 1,023 were required to override the proposed rate increase. *A motion was made by Director Lyle Brecht and seconded by Director Estep to adopt Resolution 2011-06-01 Establishing Water and Sewer Service Rates.* Mr. McKee referred to Resolution 2011-05-01, adopted at the May 17, 2011 special meeting, providing that the protests would be tabulated following the close of the public hearing by an employee, official or consultant at the District office. President Hart pointed out that there were insufficient protests to raise concern over the validity of the proposed increase. Director Lyle Brecht added that most of the protests were submitted prior to today's hearing and were tabulated as provided. *The motion carried. RC: AYES – L.Brecht, Estep, M.Brecht, Shimeall, Hart.*

## **VII. CLOSING PROCEDURE**

Adjournment. There being no further business, the meeting adjourned at 12:10 p.m. The next Special Meeting of the Board of Directors is scheduled for July 19, 2011 at the Borrego Water District. The next regular meeting of the Board of Directors is scheduled for July 27, 2011 at the Borrego Water District.

# CHRISTMAS CIRCLE COMMUNITY PARK

A California Nonprofit Public Benefit 501 C3 Corporation Federal ID #91-1774674  
P.O. Box 1025 Borrego Springs, California, 92004

**Borrego Springs Water District  
Board of Directors  
P.O. Box 1870  
Borrego Springs, CA.  
92004**

**June 22, 2011**

**Board of Directors:**

**I am writing in regards to the resolution recently passed by the Water Board to increase the water and sewer rates. Although we understand the need for the increases, the financial impact to the cost to maintain Christmas Circle Community Park will be significant. The Park is owned and managed by a volunteer Board of Directors and financed totally by Grants and Donations. There is no guaranteed revenue from year to year. In the passed the park has been able to pay operating expenses with a small reserve; however as the economy remains depressed it has been more difficult to secure the funds to operate the Park.**

**The board is willing to take any action necessary to save the park for the community and prevent a negative effect on the Borrego economy should the Park be degraded as a result of lack of funds. Because water is approximately 40% of the maintenance cost we are requesting the Borrego Water District give the water rights to the Christmas Circle Community Park 501c3 Community Benefit Corporation. This will provide the opportunity to install a well at the Park site as a last resort to save the Park.**

**We also would like to inform the District that as of now there is no desire to install a well nor have any studies or plans been made for such an action. It will only be considered if we are not able to raise the money to cover the increased cost of water.**

**We hope we can work together to assure the park will continue to be there for the resident and visitors to Borrego.**

**Thank you for your consideration.**



**Jim Wilson, President  
Board of Directors  
Christmas Circle Community Park**

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# BORREGO WATER DISTRICT

## Treasurer's Report June, 2011

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

### Cash and Cash Equivalents:

Demand Accounts at Borrego Springs Bank/WFB

|  |                      |                      |                      |                |     |       |     |         |
|--|----------------------|----------------------|----------------------|----------------|-----|-------|-----|---------|
| General Account/Petty Cash             | \$ 512,396           | \$ 494,536           | \$ 494,536           | 63.45%         | n/a | 0.00% | n/a | BSB/WFB |
| SA #1 Account                          | \$ 2,839.80          | \$ 2,839.80          | \$ 2,839.80          | 0.36%          | n/a | 0.04% | n/a | WFB     |
| SA #3 Account                          | \$ (11.94)           | \$ -                 | \$ -                 | 0.00%          | n/a | 0.04% | n/a | WFB     |
| SA #4 Account                          | \$ 2.25              | \$ -                 | \$ -                 | 0.00%          | n/a | 0.05% | n/a | WFB     |
| SA #5 Account                          | \$ 0.74              | \$ -                 | \$ -                 | 0.00%          | n/a | 0.05% | n/a | WFB     |
| Payroll Account                        | \$ 15,431.77         | \$ 11,069.09         | \$ 11,069.09         | 1.42%          | n/a | 0.04% | n/a | WFB     |
| CC GOLF                                | \$ 0.47              | \$ -                 | \$ -                 | 0.00%          | n/a | 0.04% | n/a | WFB     |
| LAIF                                   | \$ 20,711.97         | \$ 20,736.55         | \$ 20,736.55         | 2.66%          | n/a | 0.56% | n/a | LAIF    |
| MMA                                    | \$ 250,174.28        | \$ 250,174.28        | \$ 250,174.28        | 32.10%         | n/a | 0.45% | n/a | WFB     |
| <b>Total Cash and Cash Equivalents</b> | <b>\$ 801,545.27</b> | <b>\$ 779,356.03</b> | <b>\$ 779,356.03</b> | <b>100.00%</b> |     |       |     |         |

### Facilities District No. 2007-1

|   |                     |                     |                     |
|---|---------------------|---------------------|---------------------|
| First American Treas Obligation -US BANK              | 246,295             | 246,295             | 246,295             |
| <b>Total Cash, Cash Equivalents &amp; Investments</b> | <b>\$ 1,047,840</b> | <b>\$ 1,025,651</b> | <b>\$ 1,025,651</b> |

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on July 27, 2011. Cash, investments and future cash flows are sufficient to meet the needs of the District for the next six months. Sources of valuations are Borrego Springs Bank (BSB), Wells Fargo Bank (WFB), LAIF and US Trust Bank.

  
 Kim Pitman, Administration Manager

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# BORREGO WATER DISTRICT

## ASSETS:

|  | BALANCE SHEET<br>June 30, 2011<br>(unaudited) | BALANCE SHEET<br>May 31, 2011<br>(unaudited) | MONTHLY<br>CHANGE<br>(unaudited) |
|--|---|--|----------------------------------|
| <b>CURRENT ASSETS</b>                                  |   |  |                                  |
| Cash and cash equivalents                              | \$ 779,356.03                                 | \$ 620,589.90                                | \$ 158,766.13                    |
| Accounts receivable from water sales and sewer charges | \$ 251,879.97                                 | \$ 328,890.74                                | \$ (77,010.77)                   |
| Interest receivable                                    | \$ -  | \$ -   | \$ -                             |
| Inventory  | \$ 124,941.77                                 | \$ 141,598.04                                | \$ (16,656.27)                   |
| Availability charges receivable                        | \$ 335,659.21                                 | \$ 350,220.33                                | \$ (14,561.12)                   |
| Prepaid expenses                                       | \$ 47,678.52                                  | \$ 39,176.75                                 | \$ 8,501.77                      |
| Other Receivables                                      | <u>\$ 23,604.02</u>                           | <u>\$ 23,604.02</u>                          | \$ -                             |
| <b>TOTAL CURRENT ASSETS</b>                            | <b>\$ 1,563,119.52</b>                        | <b>\$ 1,504,079.78</b>                       | <b>\$ 59,039.74</b>              |
| <b>RESTRICTED ASSETS</b>                               |   |  |                                  |
| Debt Service:  |   |  |                                  |
| Deferred amount of COP Refunding                       | \$ 162,566.97                                 | \$ 164,234.33                                | \$ (1,667.36)                    |
| Unamortized bond issue costs                           | \$ 111,917.95                                 | \$ 112,999.27                                | \$ (1,081.32)                    |
| Total Debt service                                     | <u>\$ 274,484.92</u>                          | <u>\$ 277,233.60</u>                         | \$ (2,748.68)                    |
| Trust fund:  |   |  |                                  |
| Investments with fiscal agent -CFD 2007-1              | \$ 246,295.15                                 | \$ 153,325.88                                | \$ 92,969.27                     |
| Total Trust fund                                       | <u>\$ 246,295.15</u>                          | <u>\$ 153,325.88</u>                         | \$ 92,969.27                     |
| <b>TOTAL RESTRICTED ASSETS</b>                         | <b>\$ 520,780.07</b>                          | <b>\$ 430,559.48</b>                         |                                  |
| <b>UTILITY PLANT IN SERVICE</b>                        |   |  |                                  |
| Land   | \$ 2,004,182.90                               | \$ 2,004,182.90                              | \$ -                             |
| Flood Control Facilities                               | \$ 4,319,603.58                               | \$ 4,319,603.58                              | \$ -                             |
| Capital Improvement Projects                           | \$ 1,572,679.97                               | \$ 2,383,419.10                              | \$ (810,739.13)                  |
| Sewer Facilities                                       | \$ 6,255,826.21                               | \$ 5,574,650.73                              | \$ 681,175.48                    |
| 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                               | <u>\$ (10,040,975.97)</u>                     | <u>\$ (9,922,307.98)</u>                     | \$ (118,667.99)                  |
| <b>NET UTILITY PLANT IN SERVICE</b>                    | <b>\$ 16,823,240.89</b>                       | <b>\$ 17,071,472.53</b>                      | <b>\$ (248,231.64)</b>           |
| <b>OTHER ASSETS</b>                                    |   |  |                                  |
| Water rights -ID4                                      | <u>\$ 185,000.00</u>                          | <u>\$ 185,000.00</u>                         | \$ -                             |
| <b>TOTAL OTHER ASSETS</b>                              | <b>\$ 185,000.00</b>                          | <b>\$ 185,000.00</b>                         |                                  |
| <b>TOTAL ASSETS</b>                                    | <b><u>\$ 19,092,140.48</u></b>                | <b><u>\$ 19,191,111.79</u></b>               | <b>\$ (98,971.31)</b>            |

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**LIABILITIES:**

|  | <b>BALANCE SHEET</b><br><b>June 30, 2011</b><br><b>(unaudited)</b> | <b>BALANCE SHEET</b><br><b>May 31, 2011</b><br><b>(unaudited)</b> | <b>MONTHLY</b><br><b>CHANGE</b><br><b>(unaudited)</b> |
|--|--|---|---|
| <b><i>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</i></b>      |  |   |   |
| Accounts Payable   | \$ 122,183.55  | \$ 131,138.04   | \$ (8,954.49)   |
| Accrued expenses   | \$ 197,585.50  | \$ 182,793.98   | \$ 14,791.52  |
| Deferred Revenue   | \$ -   | \$ 188,299.09   | \$ (188,299.09)                                       |
| Deposits   | \$ 27,571.25   | \$ 27,807.50  | \$ (236.25)   |
| <b>TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>       | <b>\$ 347,340.30</b>   | <b>\$ 530,038.61</b>  | <b>\$ (182,698.31)</b>                                |
| <b><i>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</i></b>    |  |   |   |
| Debt Service:  |  |   |   |
| Accounts Payable to CFD 2007-1                                     | \$ 246,295.15  | \$ 153,325.88   | \$ 92,969.27  |
| <b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>    | <b>\$ 246,295.15</b>   | <b>\$ 153,325.88</b>  | <b>\$ 92,969.27</b>                                   |
| <b><i>LONG TERM LIABILITIES</i></b>                                |  |   |   |
| 2008 Certificates of participation(payable from restricted assets) | \$ 2,775,000.00  | \$ 2,775,000.00   | \$ -  |
| Montesoro Note Payable   | \$ 494,983.22  | \$ 540,123.13   | \$ (45,139.91)  |
| <b>TOTAL LONG TERM LIABILITIES</b>                                 | <b>\$ 3,269,983.22</b>   | <b>\$ 3,315,123.13</b>  | <b>\$ (45,139.91)</b>                                 |
| <b>TOTAL LIABILITIES</b>   | <b>\$ 3,863,618.67</b>   | <b>\$ 3,998,487.62</b>  | <b>\$ (134,868.95)</b>                                |
| <b><i>FUND EQUITY</i></b>  |  |   |   |
| Contributed equity   | \$ 9,649,544.17  | \$ 9,649,544.17   | \$ -  |
| Retained Earnings:   |  |   |   |
| Reserve for debt service   | \$ 1,654,086.69  | \$ 1,654,086.69   | \$ -  |
| Reserve for sewer expansion  | \$ 97,304.00   | \$ 97,304.00  | \$ -  |
| Designated for replacement,improvement and expansion               | \$ 2,016,068.16  | \$ 2,016,068.16   | \$ -  |
| Reserve for New Reservoirs   | \$ 1,811,518.79  | \$ 1,775,621.15   | \$ 35,897.64  |
| Total retained earnings  | \$ 5,578,977.64  | \$ 5,543,080.00   | \$ 35,897.64  |
| <b>TOTAL FUND EQUITY</b>   | <b>\$ 15,228,521.81</b>  | <b>\$ 15,192,624.17</b>   | <b>\$ 35,897.64</b>                                   |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b>                           | <b>\$ 19,092,140.48</b>  | <b>\$ 19,191,111.79</b>   | <b>\$ (98,971.31)</b>                                 |

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**BORREGO WATER DISTRICT  
CAPITAL BUDGET TO ACTUAL COMPARISONS  
FYE 2011**

| DESCRIPTION OF ELEMENT/PROJECT                       | BUDGET<br>FYE 2010 | BUDGET<br>FYE 2011 | PREVIOUS YEAR<br>BALANCE<br>BR FWRD | Beginning<br>Balance<br>6/1/2011 | Monthly<br>Activity<br>June | Actual<br>as of<br>06/31/11 | ACTUAL VS<br>BUDGET |
|--|--------------------|--------------------|-------------------------------------|----------------------------------|-----------------------------|-----------------------------|---------------------|
| <b>1712 - SUSTAINABLE WATER PROGRAM</b>              |                    |                    |                                     |                                  |                             |                             |                     |
| Total 1712 for FYE-10:                               | \$ 1,413,000       | \$ -               | \$ 626,301                          | \$ 846,193                       | \$ (78,004)                 | \$ 768,189                  | 54.37%              |
| <b>1714 - WATER DISTRIBUTION SYSTEM IMPROVEMENTS</b> |                    |                    |                                     |                                  |                             |                             |                     |
| Total 1714 for FYE-11:                               | \$ 254,000         | \$ 65,000          | \$ -                                | \$ 35,549                        | \$ 4,250                    | \$ 39,799                   | 61.23%              |
| <b>1716 - NEW RESERVOIRS</b>                         |                    |                    |                                     |                                  |                             |                             |                     |
| Total 1716 for FYE-10:                               | \$ 3,003,500       | \$ -               | \$ 270,341                          | \$ 287,253                       | \$ (50,000)                 | \$ 237,253                  | 7.90%               |
| <b>1717 - SEWER SYSTEM IMPROVEMENTS</b>              |                    |                    |                                     |                                  |                             |                             |                     |
| Total 1717 for FYE-11:                               | \$ 584,000         | \$ 496,000         | \$ 101,533                          | \$ 681,175                       | \$ (681,175)                | \$ -                        | 0.00%               |
| <b>1719 - BUILDINGS/STRUCTURES</b>                   |                    |                    |                                     |                                  |                             |                             |                     |
| Total 1719 for FYE-11:                               | \$ 150,000         | \$ 100,000         | \$ -                                | \$ 13,129                        | \$ 557                      | \$ 13,686                   | 13.69%              |
| <b>1702 - GROUNDWATER MANAGEMENT PROGRAM</b>         |                    |                    |                                     |                                  |                             |                             |                     |
| Total 1722 for FYE-11:                               | \$ 375,000         | \$ 175,000         | \$ 332,761                          | \$ 522,336                       | \$ (8,583)                  | \$ 513,753                  | 293.57%             |
| <b>TOTAL C.I.P. COSTS TO DATE:</b>                   |                    |                    |                                     |                                  |                             |                             |                     |
|  |                    |                    | \$ 2,385,635                        | \$ (812,955)                     | \$ 1,572,680                |                             |                     |

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02-SUSTAINABLE WATER PROGRAM  
 FYE 2011  
 ACCT #011712

| DATE     | DESCRIPTION                                  | S.E. FEASIBILITY STUDY | CLARK LAKE PROJECT CIP | CLARK LAKE PROJECT STAFF SUPPORT CIP | S.E. TRANS LINE SURVEY STAFF SUPPORT CIP | S.E. TRANS LINE SURVEY STAFF SUPPORT CIP | 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          | \$ 79,388.24                         | \$ 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               |                                      |  |  |                                     | 5,589.04  | 4,923.25      |
| 09/30/10 | Record Staff time-Rolwing/Williamson         |                        |                        |                                      |  |  |                                     |   | 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, Carlson, 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                      |                        | 3,795.00               |                                      |  |  |                                     |   | 3,795.00      |
| 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 | William Mills Consulting-IRWM                |                        |                        |                                      |  |  | 2,875.00                            |   | 2,875.00      |
| 03/31/11 | Record Staff Time-Rolwing                    |                        |                        |                                      |  |  | 553.92                              |   | 553.92        |
| 03/31/11 | Record Staff Time-Rolwing                    |                        |                        |                                      |  |  | 553.92                              |   | 553.92        |
| 03/31/11 | Record Staff Time-Rolwing                    |                        |                        |                                      |  |  | 184.64                              |   | 184.64        |
| 04/15/11 | Record Staff Time-Rolwing                    |                        |                        |                                      |  |  | 8,125.00                            |   | 8,125.00      |
| 04/27/11 | William Mills Consulting-IRWM                |                        |                        |                                      |  |  | 184.64                              |   | 184.64        |
| 04/30/11 | Record Staff Time-Rolwing                    |                        |                        |                                      |  |  | 184.64                              |   | 184.64        |
| 04/30/11 | Record Staff Time-Rolwing                    |                        |                        |                                      |  |  | 798.56                              |   | 798.56        |
| 05/15/11 | Record Staff Time-Rolwing                    |                        |                        |                                      |  |  | 184.64                              |   | 184.64        |
| 05/31/11 | William Mills Consulting-IRWM                |                        |                        |                                      |  |  | 1,562.50                            |   | 1,562.50      |
| 05/31/11 | Record Staff Time-Rolwing IRWM               |                        |                        |                                      |  |  | 553.92                              |   | 553.92        |
| 05/31/11 | Record Staff Time-Rolwing IRWM               |                        |                        |                                      |  |  | 184.64                              |   | 184.64        |
| 05/31/11 | Record Staff Time-Rolwing stag grant         |                        |                        |                                      |  |  | 184.64                              |   | 184.64        |
| 06/15/11 | Record Staff Time-Rolwing IRWM               |                        |                        |                                      |  |  | 1,600.00                            |   | 1,600.00      |
| 06/22/11 | Eco Layers-IRWMP hosting                     |                        |                        |                                      |  |  | 2,000.00                            |   | 2,000.00      |
| 06/22/11 | William Mills Consulting-IRWM                |                        |                        |                                      |  |  |                                     |   | (85,000.00)   |
| 06/29/11 | Stag Grant Payment-first payment             |                        | (77,000.00)            |                                      | (8,000.00)                               |  |                                     |   |               |
| 06/30/11 | Bor Meeting-Jerry Lunch                      |                        |                        |                                      |  |  | 15.00                               |   | 15.00         |
| 06/30/11 | Jerry Trip To San Francisco-Stag Grant meals |                        |                        |                                      |  |  | 55.00                               |   | 55.00         |
| 06/30/11 | Procopio-legal fees IRWM                     |                        |                        |                                      |  |  | 938.00                              |   | 938.00        |
| 06/30/11 | Record Staff Time-Rolwing IRWM               |                        |                        |                                      |  |  | 369.28                              |   | 369.28        |
| 06/30/11 | USBank charges-Grant Expense Flight to SF    |                        |                        |                                      |  |  | 357.30                              |   | 357.30        |
| 06/30/11 | Record Staff Time-Rolwing Bor                |                        |                        |                                      |  |  | 369.28                              |   | 369.28        |
| 06/30/11 | Record Staff Time-Rolwing Stag Grant         |                        |                        |                                      |  |  | 1,107.84                            |   | 1,107.84      |
|          | CIP PROJECTS TOTAL:                          | \$ 89,122.53           | \$ 342,675.66          | \$ 79,388.24                         | \$ 48,859.09                             | \$ 58,851.66                             | \$ 90,862.46                        | \$ 64,429.27                                      | \$ 768,188.91 |

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WATER DISTRIBUTION SYSTEM IMPROVEMENTS

FYE 2011

ACCT #1714

| DATE     | DESCRIPTION                                   | 40905<br>MONTEZUMA DR.<br>PROJECT | 40905<br>MONTEZUMA DR.<br>PROJECT<br>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       |
| 06/15/11 | Record Staff time-Montezuma pipeline-WO 68-10 |                                   | 3,917.70  | 3,917.70     |
| 06/22/11 | Borrego Landfill-dispose of debris            | 265.30                            |   | 265.30       |
| 06/30/11 | Borrego Landfill-dispose of debris            | 67.30                             |   | 67.30        |
|          |   |                                   |   | 39,799.02    |
|          | CIP PROJECTS TOTAL:                           | \$ 27,976.31                      | \$ 11,822.71                                    | \$ 39,799.02 |
|          |   |                                   |   | \$ -         |

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**NEW RESERVOIRS**

**FYE 2011**

**ACCT #1716**

| DATE     | DESCRIPTION                                | 60901<br>WILCOX<br>RESERVOIR | Staff Support<br>WILCOX<br>RESERVOIR | 60902<br>RESERVOIR<br>1000' ELEVATION | Staff Support<br>RESERVOIR<br>1000' ELEVATION | 6090500<br>INDIANHEAD<br>TANK | Staff Support<br>INDIANHEAD<br>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       |
| 06/29/11 | Stag Grant-first payment                   | (50,000.00)                  |                                      |                                       |   |                               |                                     | \$ (50,000.00) |
|          |  |                              |                                      |                                       |   |                               |                                     | \$ -           |
|          |  |                              |                                      |                                       |   |                               |                                     | 237,252.93     |
|          | <b>CIP PROJECTS TOTAL:</b>                 | \$ 103,071.75                | \$ 14,546.98                         | \$ 11,930.52                          | \$ 2,229.17                                   | \$ 96,557.79                  | \$ 8,916.72                         | \$ 237,252.93  |

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# 07-SEWER SYSTEM IMPROVEMENTS

FYE 2011

ACCT #1717

| DATE     | DESCRIPTION  | 709003<br>ENGINEERING<br>NEW LIFT<br>STATION | 709005<br>ENGINEERING<br>NEW LIFT<br>STATION<br>Staff Support | 709004<br>NEW<br>LIFT STATION<br>CONSTRUCT | TOTALS        |
|----------|--|--|---|--|---------------|
|          | <b>BALANCE BROUGHT FORWARD-FYE 2010</b>                      | \$ 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      |
|          | Transfer Balance to book lift station into FA #1-1730        | (47,270.29)                                  | (15,955.84)   | (617,949.36)                               | (681,175.49)  |
|          |  |  |   |  | 681,175.49    |
|          | <b>CIP PROJECTS TOTAL:</b>                                   | \$ -   | \$ -  | \$ -                                       | -             |

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# 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  |
| 05/15/11 | Labor to build houses-DEPriest                  | 2,000.00                   |                           | 2,000.00  |
| 05/31/11 | Labor to build houses-DEPriest                  | 950.00                     |                           | 950.00    |
| 06/22/11 | Home Depot-Building materials                   | 556.78                     |                           | 556.78    |
|          |   |                            |                           | -         |
|          |   |                            |                           | 13,686.04 |
|          | <b>CIP PROJECTS TOTAL:</b>                      | \$ 13,686.04               | \$ -                      | 13,686.04 |

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# 11-GROUNDWATER MANAGEMENT PROGRAM

FYE 2011

ACCT #011722

| DATE     | DESCRIPTION  | 110901<br>USGS<br>GROUNDWATER<br>BASIN STUDY | Viking<br>Following<br>Projects | Viking<br>Following<br>Projects<br>STAFF TIME | Cocopa<br>Following<br>Projects | Cocopa<br>Following<br>Projects<br>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    |
| 06/13/11 | Transfer Balance to 1-5768                           |  |                                 | (5,337.00)                                    |                                 | (5,337.00)                                    | \$ (10,674.00) |
| 06/01/11 | McDouglia, Love, Eckis                               |  | 2,065.00                        |   | 26.25                           |   | \$ 2,091.25    |
|          |  |  |                                 |   |                                 |   | 513,753.07     |
|          | <b>CIP PROJECTS TOTAL:</b>                           | \$ 334,593.91                                | \$ 13,214.71                    | \$ -  | \$ 165,944.45                   | \$ -  | \$ 513,753.07  |

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

| Description | Current Budget<br>FYE 2011 | Beginning Balance<br>06/01/11 | Monthly Activity<br>June | Actual as of<br>06/30/11 | Actual vs Budget<br>FYE 2011 |
|-------------|----------------------------|-------------------------------|--------------------------|--------------------------|------------------------------|
|-------------|----------------------------|-------------------------------|--------------------------|--------------------------|------------------------------|

**WATER REVENUE**

|                                   |                  |                  |                |                  |               |
|-----------------------------------|------------------|------------------|----------------|------------------|---------------|
| Residential Water Sales           | 855,000          | 526,422          | 66,652         | 593,075          | 69.37%        |
| Commercial Water Sales            | 108,500          | 90,643           | 8,390          | 99,033           | 91.27%        |
| Irrigation Water Sales            | 140,000          | 82,772           | 7,053          | 89,825           | 64.16%        |
| GWM Surcharge                     | 108,000          | 86,395           | 6,663          | 93,058           | 86.16%        |
| Water Sales Power Portion         | 321,000          | 256,263          | 20,822         | 277,085          | 86.32%        |
| Readiness Charges Water           | 640,000          | 586,483          | 54,075         | 640,558          | 100.09%       |
| Meter Installation                | 30,000           | 48,872           | -              | 48,872           | 162.91%       |
| Reconnect Fees                    | 6,000            | 11,560           | 2,237          | 13,797           | 229.95%       |
| Backflow Testing                  | 6,000            | 3,397            | -              | 3,397            | 56.61%        |
| Water Bulk/pfmp                   | 1,500            | 1,177            | 359            | 1,536            | 102.37%       |
| Penalty&Interest Water Collection | 25,000           | 23,891           | 2,135          | 26,025           | 104.10%       |
| <b>Total Water Revenue:</b>       | <b>2,241,000</b> | <b>1,717,874</b> | <b>168,386</b> | <b>1,886,260</b> | <b>84.17%</b> |

**AVAILABILITY CHARGES**

|  |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
| 641500 1% Property Assessments           | 36,000         | 66,607         | 1,469          | 68,076         | 189.10%        |
| SA 1 Water/Sewer/Flood control 6415-02   | 158,000        | 24,079         | 87,708         | 111,787        | 70.75%         |
| Water Availability Standby-Admin 6415-01 | 87,000         | 77,119         | 45,977         | 123,096        | 141.49%        |
| SA 3 Water Standby Fee 6415-04           | 30,000         | 12,785         | 39,078         | 51,862         | 172.87%        |
| Pest Control Standby fees                | 18,000         | 12,940         | 30,255         | 43,194         | 239.97%        |
| Penalty & Interest-Availability Charges  | 2,000          | 1,000          | -              | 1,000          | 50.00%         |
| <b>Total Availability Charges:</b>       | <b>331,000</b> | <b>194,530</b> | <b>204,487</b> | <b>399,017</b> | <b>120.55%</b> |

**SEWER SERVICE CHARGES**

|                                     |                |                |               |                |                |
|-------------------------------------|----------------|----------------|---------------|----------------|----------------|
| TCS Holders Fees                    | 180,000        | 165,187        | 15,012        | 180,198        | 100.11%        |
| TCS Users Fees                      | 30,000         | 31,410         | 3,000         | 34,410         | 114.70%        |
| SA #5 Sewer Fees                    | 131,000        | 119,222        | 16,601        | 135,823        | 103.68%        |
| SA #1 Sewer Fees                    | 54,000         | 49,913         | 4,618         | 54,531         | 100.98%        |
| Sewer Penalty & Interest Charges    | -              | 1,414          | -             | 1,414          | 0.00%          |
| Sewer Hook-UP Fees                  | 1,000          | -              | -             | -              | 0.00%          |
| Inspection fees                     | 500            | -              | -             | -              | 0.00%          |
| Capacity Fees                       | 3,500          | 2,138          | -             | 2,138          | 61.10%         |
| <b>Total Sewer Service Charges:</b> | <b>400,000</b> | <b>369,284</b> | <b>39,231</b> | <b>408,515</b> | <b>102.13%</b> |

**PARK/GOLF INCOME**

|                                |                |                |              |                |               |
|--------------------------------|----------------|----------------|--------------|----------------|---------------|
| CSD Fees-(Trash & Golf)        | 92,406         | 88,782         | 8,043        | 96,825         | 104.78%       |
| Golf receipts                  | 27,594         | 21,083         | 344          | 21,427         | 77.65%        |
| <b>Total Park/Golf Income:</b> | <b>120,000</b> | <b>109,865</b> | <b>8,387</b> | <b>118,252</b> | <b>98.54%</b> |

**OTHER INCOME**

|  |               |               |              |               |               |
|--|---------------|---------------|--------------|---------------|---------------|
| Rent Income San Diego County           | 7,584         | 7,039         | 643          | 7,682         | 101.29%       |
| Plan Review Fee/Will Serve Commitments | 12,000        | -             | -            | -             | 0.00%         |
| Annexation fees                        | -             | 500           | -            | 500           | 0.00%         |
| Water Credits Administration Fee       | 50,000        | 3,500         | 500          | 4,000         | 8.00%         |
| Fire Hydrant Installation              | -             | -             | -            | -             | 0.00%         |
| Miscellaneous Income                   | 15,000        | 8,188         | 15           | 8,203         | 54.69%        |
| Gain on Asset Sold                     | 2,000         | -             | -            | -             | 0.00%         |
| <b>Total Other Income:</b>             | <b>86,584</b> | <b>19,227</b> | <b>1,158</b> | <b>20,385</b> | <b>23.54%</b> |

**INTEREST INCOME**

|                               |               |              |           |              |               |
|-------------------------------|---------------|--------------|-----------|--------------|---------------|
| Interest Income LAIF          | 500           | 50           | -         | 50           | 10.08%        |
| Interest Income Other         | 10,000        | 2,381        | 72        | 2,452        | 24.52%        |
| <b>Total Interest Income:</b> | <b>10,500</b> | <b>2,431</b> | <b>72</b> | <b>2,503</b> | <b>23.84%</b> |

|                      |                  |                  |                |                  |               |
|----------------------|------------------|------------------|----------------|------------------|---------------|
| <b>Total Income:</b> | <b>3,189,084</b> | <b>2,413,211</b> | <b>421,719</b> | <b>2,834,930</b> | <b>88.89%</b> |
|----------------------|------------------|------------------|----------------|------------------|---------------|

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

| DESCRIPTION | Current Budget<br>FYE 2011 | Beginning Balance<br>06/01/11 | Monthly Activity<br>June | Actual as of<br>06/30/11 | Actual vs Budget<br>FYE 2011 |
|-------------|----------------------------|-------------------------------|--------------------------|--------------------------|------------------------------|
|-------------|----------------------------|-------------------------------|--------------------------|--------------------------|------------------------------|

**MAINTENANCE EXPENSE**

|  |                |                |               |                |                |
|--|----------------|----------------|---------------|----------------|----------------|
| Maintenance & Repairs Buildings & Equipment      | 65,000         | 84,253         | 11,531        | 95,784         | 147.36%        |
| Maintenance & Repairs/Wells,Pipelines,Pumps/WWTP | 30,000         | 33,725         | 556           | 34,281         | 114.27%        |
| Collection System Maintenance                    | 5,000          | 242            | -             | 242            | 4.85%          |
| Reservoir Maintenance                            | 7,500          | 7,110          | -             | 7,110          | 94.80%         |
| Water System Maintenance                         | 25,000         | 28,342         | -             | 28,342         | 113.37%        |
| Well/Pump Repairs & Maintenance                  | 25,000         | 21,171         | 6,040         | 27,211         | 108.84%        |
| Equipment Rental                                 | 5,000          | 857            | (19)          | 838            | 16.76%         |
| Telemetry Services                               | 20,000         | 28,107         | -             | 28,107         | 140.53%        |
| Trash Removal                                    | 30,000         | 34,011         | 2,787         | 36,798         | 122.66%        |
| Vehicle Expense                                  | 15,000         | 18,463         | 1,834         | 20,298         | 135.32%        |
| <b>Total Maintenance Expense:</b>                | <b>227,500</b> | <b>256,281</b> | <b>22,730</b> | <b>279,011</b> | <b>122.64%</b> |

**PROFESSIONAL SERVICES EXPENSE**

|   |                |                |               |                |                |
|---|----------------|----------------|---------------|----------------|----------------|
| Accounting                                  | 5,000          | 43,446         | 3,206         | 46,652         | 933.05%        |
| Administrative Services                     | 4,000          | 6,531          | 303           | 6,834          | 170.85%        |
| Audit Fees                                  | 35,000         | 8,402          | 6,000         | 14,402         | 41.15%         |
| Computer Billing                            | 33,000         | 19,278         | 1,294         | 20,572         | 62.34%         |
| Engineering                                 | 1,000          | 1,755          | -             | 1,755          | 175.50%        |
| Legal Services                              | 24,000         | 35,387         | 9,292         | 44,679         | 186.16%        |
| Testing/Labwork                             | 22,000         | 18,994         | 2,653         | 21,647         | 98.39%         |
| <b>Total Professional Services Expense:</b> | <b>124,000</b> | <b>133,793</b> | <b>22,748</b> | <b>156,540</b> | <b>126.24%</b> |

**INSURANCE EXPENSE**

|                                 |               |                |                |                |                |
|---------------------------------|---------------|----------------|----------------|----------------|----------------|
| Insurance                       | 75,000        | 102,316        | (7,914)        | 94,402         | 125.87%        |
| Workmens Comp                   | 24,000        | 15,842         | 4,868          | 20,711         | 86.29%         |
| <b>Total Insurance Expense:</b> | <b>99,000</b> | <b>118,159</b> | <b>(3,046)</b> | <b>115,113</b> | <b>116.28%</b> |

**PERSONNEL EXPENSE**

|                                      |                  |                  |                |                  |               |
|--------------------------------------|------------------|------------------|----------------|------------------|---------------|
| Mileage Reimbursement/Auto Allowance | 1,800            | 1,515            | 204            | 1,719            | 95.47%        |
| Board Meeting Expense                | 41,000           | 53,062           | 2,220          | 55,282           | 134.84%       |
| Salaries & Wages                     | 1,104,223        | 1,000,764        | 77,468         | 1,078,232        | 97.65%        |
| Salaries & Wages off set account     |                  | (75,722)         | 2,561          | (73,162)         | 0.00%         |
| Accrued Sick/Vacation                | 26,000           | 13,000           | (6,485)        | 6,515            | 25.06%        |
| Taxes on Payroll                     | 36,000           | 23,426           | 1,414          | 24,840           | 69.00%        |
| Medical Insurance Benefits           | 282,004          | 219,586          | 17,472         | 237,058          | 84.06%        |
| Calpers Retirement Benefits          | 217,996          | 178,960          | 15,045         | 194,005          | 88.99%        |
| <b>Total Personnel Expense:</b>      | <b>1,709,023</b> | <b>1,414,592</b> | <b>109,898</b> | <b>1,524,490</b> | <b>89.20%</b> |

**OFFICE EXPENSE**

|                              |                |               |              |               |               |
|------------------------------|----------------|---------------|--------------|---------------|---------------|
| Equipment Rental             | 8,000          | 11,598        | -            | 11,598        | 144.97%       |
| Office Supplies              | 30,000         | 17,559        | 1,262        | 18,821        | 62.74%        |
| Office Equipment             | 20,000         | 7,333         | 346          | 7,680         | 38.40%        |
| Office Utilities             | 13,000         | 12,370        | 1,786        | 14,156        | 108.89%       |
| Maintenance Agreements       | 16,000         | 8,312         | -            | 8,312         | 51.95%        |
| Postage & Freight            | 13,000         | 10,843        | 2,003        | 12,846        | 98.81%        |
| Taxes on Property            | 3,000          | 2,290         | -            | 2,290         | 76.35%        |
| Answering Service            | 2,500          | 2,728         | 138          | 2,865         | 114.61%       |
| Telephone                    | 7,000          | 6,112         | 299          | 6,411         | 91.58%        |
| <b>Total Office Expense:</b> | <b>112,500</b> | <b>79,145</b> | <b>5,834</b> | <b>84,979</b> | <b>75.54%</b> |

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

| DESCRIPTION | Current Budget<br>FYE 2011 | Beginning Balance<br>06/01/11 | Monthly Activity<br>June | Actual as of<br>06/30/11 | Actual vs Budget<br>FYE 2011 |
|-------------|----------------------------|-------------------------------|--------------------------|--------------------------|------------------------------|
|-------------|----------------------------|-------------------------------|--------------------------|--------------------------|------------------------------|

**UTILITIES EXPENSE**

|                                 |                |                |               |                |               |
|---------------------------------|----------------|----------------|---------------|----------------|---------------|
| Pumping-Electricity             | 500,000        | 358,840        | 47,408        | 406,248        | 81.25%        |
| Cellular Phone                  | 11,000         | 9,882          | 798           | 10,680         | 97.09%        |
| <b>Total Utilities Expense:</b> | <b>511,000</b> | <b>368,722</b> | <b>48,207</b> | <b>416,929</b> | <b>81.59%</b> |

**DEPRECIATION EXPENSE**

|                                    |                |                |                |                |                |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Depreciation Expense               | 600,000        | 518,806        | 118,668        | 637,474        | 106.25%        |
| <b>Total Depreciation Expense:</b> | <b>600,000</b> | <b>518,806</b> | <b>118,668</b> | <b>637,474</b> | <b>106.25%</b> |

**OTHER EXPENSE**

|   |                  |                  |                |                  |               |
|---|------------------|------------------|----------------|------------------|---------------|
| Amortization Expense                                      | 16,491           | 13,743           | 2,749          | 16,492           | 100.01%       |
| Interest Expense-COP 2008                                 | 125,000          | 104,063          | 46,137         | 150,199          | 120.16%       |
| Bad Debt Expense  | 5,000            | 3,350            | 39             | 3,389            | 67.78%        |
| Conferences & Conventions                                 | 15,000           | 20,378           | 346            | 20,724           | 138.16%       |
| Training  | 8,500            | 2,697            | -              | 2,697            | 31.73%        |
| Contract Labor  | 15,000           | 7,739            | 1,020          | 8,759            | 58.39%        |
| Dues & Subscriptions                                      | 10,000           | 6,766            | 633            | 7,399            | 73.99%        |
| Regulatory Permit Fees                                    | 60,000           | 43,945           | 3,242          | 47,187           | 78.64%        |
| Bank Fees   | 500              | 91               | 13             | 103              | 20.60%        |
| Community Relations                                       | 1,000            | 865              | -              | 865              | 86.54%        |
| Fuel & Oil  | 54,000           | 44,088           | 3,081          | 47,169           | 87.35%        |
| Other Expense   | 5,000            | 12,499           | (5,645)        | 6,853            | 137.07%       |
| Safety Requirements                                       | 10,000           | 4,729            | -              | 4,729            | 47.29%        |
| Printing, Publications & Notices                          | 5,000            | 1,724            | 159            | 1,883            | 37.67%        |
| Uniforms  | 8,500            | 5,170            | 683            | 5,853            | 68.86%        |
| Contingency Fund  | 83,561           | 5,495            | (5,495)        | -                | 0.00%         |
| <b>Total Other Expense:</b>                               | <b>422,552</b>   | <b>277,342</b>   | <b>46,961</b>  | <b>324,302</b>   | <b>76.75%</b> |
| <b>Total Expenses:</b>                                    | <b>3,805,575</b> | <b>3,166,839</b> | <b>371,999</b> | <b>3,538,838</b> | <b>92.99%</b> |
| District Salaries & Wages allocated to Capital Projects:  |                  | 75,722           | (2,561)        | 73,162           |               |
| <b>TOTAL EXPENSES INCLUDING ALL SALARIES &amp; WAGES:</b> |                  | <b>3,242,561</b> | <b>369,439</b> | <b>3,612,000</b> |               |
| <b>TOTAL INCOME:</b>                                      |                  | <b>2,413,211</b> | <b>421,719</b> | <b>2,834,930</b> |               |
| <b>NET INCOME/(EXPENSE): (Mostly accrual basis)</b>       |                  | <b>(829,351)</b> | <b>52,281</b>  | <b>(777,070)</b> |               |
| <b>Non Cash Income/(Expenses) included in Net Income:</b> |                  |                  |                |                  |               |
| Depreciation  |                  | 518,806          | 118,668        | 637,474          |               |
| Amortization of COP 2008/Interest payment                 |                  | 117,806          | 48,885         | 166,691          |               |

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# BORREGO WATER DISTRICT

To: BWD Board of Directors

From: Kim Pitman

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

**I.**

**A. Vendor disbursements paid during this period:** **\$ 147,223.88**

Significant items:

|   |                          |    |           |
|---|--------------------------|----|-----------|
| 1 | Utilities                | \$ | 48,565.59 |
| 2 | CalPERS Payments         | \$ | 17,773.30 |
| 3 | Employee Health Benefits | \$ | 19,963.85 |

**B. Capital Projects Outlays (included in vendor disbursements paid above):**

**C. Total Professional Services for this Period (included in vendor disbursements paid above):**

|                             |                                     |           |                  |
|-----------------------------|-------------------------------------|-----------|------------------|
| McDougl, Love, Eckis        | Legal                               | \$        | 10,644.10        |
| Downey Brand                | Legal                               | \$        | 938.00           |
| Procopio, Cory, Hargreaves  | Legal                               | \$        | 975.00           |
| <b>Total Invoice</b>        |                                     | <b>\$</b> | <b>12,557.10</b> |
| Raftelis Financial          | District Rate Study (final payment) | \$        | 3,206.45         |
| <b>Total Invoice</b>        |                                     | <b>\$</b> | <b>3,206.45</b>  |
| William Mills & Associates: | BOR/Stag Grant                      | \$        | 4,687.50         |
| <b>Total Invoice</b>        |                                     | <b>\$</b> | <b>4,687.50</b>  |
| Diehl, Evans & Company      | Auditor                             | \$        | 6,000.00         |
| <b>Total Invoice</b>        |                                     | <b>\$</b> | <b>6,000.00</b>  |

**D. Payroll for this Period:**

|                                    |           |                  |
|------------------------------------|-----------|------------------|
| Gross Payroll                      | \$        | 77,467.73        |
| Employer Payroll Taxes and ADP Fee | \$        | 1,717.16         |
| <b>Total</b>                       | <b>\$</b> | <b>79,184.89</b> |

**E. Adjustments:**

|   |    |          |
|---|----|----------|
| Vendor Disbursements not paid until June (accounts payable) | \$ | 8,954.49 |
|---|----|----------|

**F. Total Cash Outlays: (A+D+E)** **\$ 235,363.26**

**II. Sources of Cash:**

|  |    |            |
|--|----|------------|
| A. O & M Revenue Received ( Accrual Basis-\$421,719)             | \$ | 394,129.29 |
| Montessoro Golf Course water receipts-May billing posted in June | \$ | 34,945.24  |

|                             |    |            |
|-----------------------------|----|------------|
| B. Capital Revenue Received |    |            |
| Stag Grant-First payment    | \$ | 135,000.00 |

**III. Net Cash Increase (Decrease)** **\$ 158,766.03**

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BORREGO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

VENDOR NAME  
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|--|--------------|--|----------------------|-------------------|---|------------------|--|
| 01 1510 - INVENTORY CONTROL<br>PACIFIC PIPELINE SUPPLY INC<br>HD SUPPLY WATERWORKS, LTD. | 1208<br>1236 |  | 06/20/11<br>06/13/11 | 147094<br>3096816 | INVENTORY CONTROL<br>METER BOXES & LIDS                         | 162.69<br>331.95 |  |
| 01 1712 - SUSTAINABLE WATER PROJECT-CIP<br>WILLIAM R. MILLS & ASSOC                      | 12           |  | 06/13/11             | 061311            | PROFESSIONAL SERVICES<br>RELATED TO STAG GRANT                  | 2,000.00         |  |
|  | 12           |  | 06/20/11             | 063011            | PROFESSIONAL FEES<br>RELATED TO BOR &<br>STAG GRANT.            | 2,687.50         |  |
| ECOLAYERS, INC.  | 1345         |  | 05/31/11             | 167               | MONTHLY HOSTING<br>IRWMP-FEB, MAR, APRIL<br>& MAY 2011          | 1,600.00         |  |
| 01 1714 - WATER DIST SYSTEM IMP-CIP<br>BORREGO LANDFILL                                  | 1201         |  | 05/31/11             | 000738            | DUMP FEE FOR<br>CONCRETE FROM<br>MONTEZUMA PIPELINE<br>EASEMENT | 265.30           |  |
|  | 1201         |  | 06/30/11             | 747               | DUMP FEE<br>MONTEZORO RD JOB                                    | 67.30            |  |
| 01 1719 - BUILDINGS/STRUCTURES-CIP<br>HOME DEPOT CREDIT SERVICES                         | 1136         |  | 05/31/11             | 053111            | SEE INVOICES<br>FOR DETAILS                                     | 556.78           |  |
| 01 1722 - GW MANAGEMENT PROGRAM-CIP<br>MCDUGAL LOVE ECKIS                                | 9549         |  | 05/31/11             | 82273226          | PROFESSIONAL FEES<br>PER AGREEMENT<br>THROUGH MAY 2011          | 1,268.75         |  |
|  | 9549         |  | 06/30/11             | 82291416          | PROFESSIONAL FEES<br>PER AGREEMENT<br>THROUGH JUNE 2011         | 822.50           |  |
| 01 2300 - ACCRUED INTEREST PAYABLE<br>RUSSELL GEYSER                                     | 9550         |  | 06/30/11             | 063011            | PURCHASE OF WELL #12<br>FROM MONTEZORO<br>2ND PAYMENT           | 25,324.00        |  |
|  |              |  |                      |                   | <i>5/18 Posted-in July</i>                                      |                  |  |
| 01 2410 - MESQUITE TRAILS DEPOSIT<br>MCDUGAL LOVE ECKIS                                  | 9549         |  | 05/31/11             | 82273226          | PROFESSIONAL FEES<br>PER AGREEMENT<br>THROUGH MAY 2011          | 210.00           |  |
|  | 9549         |  | 06/30/11             | 82291416          | PROFESSIONAL FEES<br>PER AGREEMENT<br>THROUGH JUNE 2011         | 26.25            |  |

BORRERO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

VENDOR NAME  
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 VENDOR # PO # INV DATE INV # DESCRIPTION AMOUNT ID NUMBER  
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| VENDOR NAME   | VENDOR # | PO # | INV DATE | INV #    | DESCRIPTION  | AMOUNT    | ID | NUMBER |
|---|----------|------|----------|----------|--|-----------|----|--------|
| 01 2790 - CURRENT PORTION LONG TERM DEBT<br>RUSSELL GEYSER    | 9550     |      | 06/30/11 | 063011   | PURCHASE OF WELL #12<br>FROM MONTESORO<br>2ND PAYMENT            | 44,676.00 |    |        |
| <i>revised<br/>5/13 Posted in July</i>                        |          |      |          |          |  |           |    |        |
| 01 5100 - ACCOUNTING<br>RAPELLIS FINANCIAL                    | 9546     |      | 06/08/11 | 1103-02  | PROFESSIONAL<br>SERVICE FEE PER<br>AGREEMENT                     | 3,206.45  |    |        |
| 01 5160 - AUDIT FEES<br>DIEHL, EVANS & COMPANY, LLP           | 1043     |      | 06/28/11 | 70281    | PROFESSIONAL FEE<br>FINANCIAL STATEMENTS<br>YE 06/30/11          | 6,000.00  |    |        |
| 01 5172 - MILEAGE REIMB/AUTO ALLOWANCE<br>TROY DEPRIEST       | 1299     |      | 05/31/11 | 053111   | REIMBURSE FOR<br>PERSONAL VEHICLE<br>USE & MILEAGE               | 203.50    |    |        |
| 01 5180 - BAD DEBT EXPENSE<br>RECORDER/COUNTY CLERK'S OFFICE  | 9387     |      | 06/30/11 | 063011   | LIEN RELEASE:<br>OCHOA-04-0241-2                                 | 13.00     |    |        |
| 01 5190 - BOARD MEETING EXPENSE<br>WENDY QUINN                | 1623     |      | 06/30/11 | 063011   | RECORDING SECRETARY<br>SERVICE FOR JUNE 2011                     | 240.00    |    |        |
| 01 5200 - COMPUTER BILLING<br>DATASTREAM BUSINESS SOLUTIONS,  | 3043     |      | 06/13/11 | 4277     | SYSTEM PROGRAMMING   | 807.50    |    |        |
| 01 5240 - CONFERENCE/TRAVEL<br>U.S.BANK CORPORATE PAYMENT SYS | 3000     |      | 06/22/11 | JR062211 | SEE INVOICES<br>FOR DETAILS                                      | 366.40    |    |        |
| 01 5200 - DUES & SUBSCRIPTIONS<br>3EG COMPANY                 | 9119     |      | 05/18/11 | 0032615  | CHEMICAL HOTLINE &<br>CHEMICAL CONTROL-MSDS<br>ON DEMAND SERVICE | 632.50    |    |        |
| 01 5201 - FEES<br>AUDITOR/CONTROLLER/SAN DIEGO                | 2        |      | 06/20/11 | LC11-05  | LAFCO COST<br>FY 2011-2012                                       | 1,720.00  |    |        |

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT

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BORREGO WATER DISTRICT  
CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
07/19/11

| VENDOR NAME  | VEND # | PO # | INV DATE | INV #    | DESCRIPTION  | AMOUNT   | ID | NUMBER |
|--|--------|------|----------|----------|--|----------|----|--------|
| COUNTY OF SAN DIEGO  | 48     |      | 04/20/11 | 141309   | EXCAVATION PERMITS FEE   | 496.16   |    |        |
|  | 48     |      | 05/31/11 | 142600   | EXCAVATION PERMITS FEE   | 838.70   |    |        |
| UNDERGROUND SERVICE ALERT  | 1023   |      | 06/30/11 | 063011   | DIG ALERT TICKETS FOR JUNE 2011  | 12.00    |    |        |
| 01 5420 - EMPLOYEE MEDICAL BENEFITS<br>ACWA HEALTH BENEFITS AUTHORITY    | 1000   |      | 06/30/11 | 063011   | EMPLOYEE BENEFITS PERIOD COVERAGE:<br>08/01/11-09/01/11                  | 7,592.24 |    |        |
| 01 5421 - EMPLOYEE RETIREMENT BENEFITS<br>PUBLIC EMP'S RETIREMENT SYSTEM | 3011   |      | 06/15/11 | 061511   | EMPLOYEE BENEFITS<br>PE:06/01/11-06/15/11                                | 3,380.73 |    |        |
|  | 3011   |      | 06/30/11 | 063011   | EMPLOYEE BENEFITS<br>PE-06/16/11-06/30/11                                | 3,378.46 |    |        |
| 01 5460 - FUEL & OIL<br>KENNY STRICKLAND, INC.                           | 1067   |      | 05/31/11 | 05029632 | FUEL FOR CREW TRUCKS   | 111.17   |    |        |
|  | 1067   |      | 06/09/11 | 06030673 | FUEL FOR CREW TRUCKS   | 88.60    |    |        |
|  | 1067   |      | 06/23/11 | 6031843  | FUEL FOR CREW TRUCKS   | 108.37   |    |        |
| 01 5520 - INSURANCE<br>AFLAC   | 1266   |      | 06/11/11 | 689238   | EMPLOYEE PAID SUPPLEMENTAL INSURANCE                                     | 587.84   |    |        |
| 01 5521 - WORKERS COMPENSATION<br>ACWA JOINT POWER INS AUTHORITY         | 3035   |      | 06/30/11 | 063011   | WORKER'S COMP PERIOD:04/01/11-06/30/11                                   | 4,868.10 |    |        |
| 01 5560 - LEGAL SERVICES<br>DOWNEY BRAND                                 | 9535   |      | 06/20/11 | 413753   | PROFESSIONAL FEES PER AGREEMENT  | 938.00   |    |        |
|  | 9549   |      | 05/31/11 | 82273226 | SEE INVOICE FOR DETAILS<br>PROFESSIONAL FEES PER AGREEMENT               | 6,857.88 |    |        |
|  | 9549   |      | 06/30/11 | 82291416 | THROUGH MAY 2011<br>PROFESSIONAL FEES PER AGREEMENT<br>THROUGH JUNE 2011 | 1,458.72 |    |        |

07/19/11 14:58:55

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT

BORREGO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

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| 01 5600 - R & M BUILDINGS & EQUIPMENT | 1022 |  | 06/30/11 | 063011   | SEE INVOICES FOR DETAILS                     | 125.89 |  |
| JAMES G HORMUTH/DBA TRUE VALUE        |      |  |          |          | PARTS  | 23.85  |  |
| EMPIRE SOUTHWEST                      | 1094 |  | 06/18/11 | 2703770  | SEE INVOICES FOR DETAILS                     | 305.09 |  |
| HOME DEPOT CREDIT SERVICES            | 1136 |  | 05/31/11 | 053111   | WASP SPRAY                                   | 19.38  |  |
| ZEP MANUFACTURING COMPANY             | 1136 |  | 06/15/11 | 9090312  | WELL GREASE & PENETRANTS                     | 227.50 |  |
| DEBBIE MORETTI                        | 1218 |  | 06/15/11 | 53433121 | PEST CONTROL ALL OUTLETS                     | 37.00  |  |
| TIGER TANKS, INC.                     | 1222 |  | 06/30/11 | 063011   | JUNE 2011 GUAGE FOR FUEL TANK (500 GAL TANK) | 217.50 |  |
| U.S.BANK CORPORATE PAYMENT SYS        | 3000 |  | 06/22/11 | GH062211 | SEE INVOICE FOR DETAILS                      | 493.06 |  |
| LOCKE AIR CONDITIONING                | 9292 |  | 06/20/11 | 22612    | REPAIR AC MAIN BWD OFFICE BLDG.              | 921.50 |  |

|                                |      |  |          |          |                                       |        |  |
|--------------------------------|------|--|----------|----------|---------------------------------------|--------|--|
| 01 5662 - OFFICE SUPPLIES      | 62   |  | 05/16/11 | 17149    | OFFICE SUPPLIES                       | 90.00  |  |
| ESSEX INDUSTRIES               |      |  |          |          | LIGHT BULBS                           |        |  |
| BORREGO SPRINGS BOTTLED WATER  | 1003 |  | 05/31/11 | 053111   | BOTTLED WATER FOR YARD & WWTP OFFICES | 32.40  |  |
| QUILL CORPORATION              | 1003 |  | 06/30/11 | 063011   | BOTTLED WATER FOR YARD & WWTP OFFICES | 53.86  |  |
| U.S.BANK CORPORATE PAYMENT SYS | 3000 |  | 06/02/11 | 4648017  | OFFICE SUPPLIES                       | 66.85  |  |
|                                |      |  | 06/03/11 | 4648331  | SEE INVOICE FOR DETAILS               | 526.53 |  |
|                                |      |  | 06/23/11 | 5072051  | SEE INVOICE FOR DETAILS               | 176.11 |  |
|                                |      |  | 06/22/11 | JR062211 | SEE INVOICE FOR DETAILS               | 337.30 |  |

|                            |      |  |          |          |                                |        |  |
|----------------------------|------|--|----------|----------|--------------------------------|--------|--|
| 01 5663 - OFFICE EQUIPMENT | 9486 |  | 06/26/11 | 55886143 | TAX ON LEASED EQUIPMENT-COPIER | 346.11 |  |
| KONICA MINOLTA             |      |  |          |          |                                |        |  |

|                            |      |  |          |         |  |          |  |
|----------------------------|------|--|----------|---------|--|----------|--|
| 01 5664 - OFFICE UTILITIES | 1065 |  | 06/21/11 | 0621110 | 6954 509 423 8 STIRRUP RD                        | 9.56     |  |
| SAN DIEGO GAS & ELECTRIC   |      |  |          |         | OLD SHOP   |          |  |
|                            | 1065 |  | 06/21/11 | 062111P | 2700 523 335 7 806 PALM CANYON DR                | 1,122.75 |  |
|                            | 1065 |  | 06/21/11 | 062111V | OFFICE/MAINT SHOP 6159 441 279 1 2473 STIRRUP RD | 24.84    |  |
|                            |      |  |          |         | LUGO BLDG.                                       |          |  |

BORREGO WATER DISTRICT  
CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
07/19/11

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AMOUNT

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01 5700 - PRINTING, PUBLICATION & NOTICES  
BORREGO SUN 1037

06/09/11 50143

JUNE ADVERTISING

159.25

01 5852 - ANSWERING SERVICE  
ABILITY ANSWERING/PAGING SER

1109 06/09/11 060911

ANSWERING & PAGING  
SERVICE-JUNE 2011

137.67

01 5854 - CELLULAR PHONE  
AT&T MOBILITY

61 06/02/11 6100351

MONTHLY CHARGE  
FOR CELL PHONES

630.64

VERIZON WIRELESS

1100 06/02/11 060211

EMERGENCY CELL  
PHONES FOR POWER  
OUTAGES

83.81

1100 06/26/11 98197855

EMERGENCY CELL PHONES  
FOR POWER OUTAGES

83.79

01 5858 - TELEPHONE  
AT CONFERENCE

9466 06/30/11 296090-0

CONFERENCE CALL  
IWRMP/BRADY & SCHAFER

6.37

AT&T-CALNET 2

9529 06/22/11 2456223C

MONTHLY CHARGES  
MAINT. SHOP

92.30

9529 06/22/11 2456222A

JUNE 2011  
MONTHLY CHARGES  
MAIN OFFICE

165.07

01 5860 - TESTING/LAB WORK  
E.S. BABCOCK & SONS, INC.

9255 06/30/11 063011

WATER SAMPLES  
FROM ALL WELLS

140.00

01 5890 - TRASH REMOVAL  
ALLIED WASTE SERVICES #467

3034 06/30/11 12666742

3-0467-0701728  
4861 BORREGO SPRINGS RD

272.79

2475 STIRUP RD  
BASIC SERVICE

01 5895 - UNIFORMS  
AMERICAN LINEN INC.

1001 06/30/11 063011

UNIFORMS FOR CREW

683.19

01 5896 - VEHICLE EXPENSE  
DEPERT TIRE CENTER

1113 01/14/10 5376

2008 F150  
LICENSE #1252048

31.78

BASIC SERVICE

BORREGO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

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VENDOR NAME

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| ===== | VENDOR NAME | NUMBER | ID | AMOUNT   | DESCRIPTION  | INV #    | INV DATE | PO # | VEND # | INV DATE | INV #    | DESCRIPTION | AMOUNT   | NUMBER |
|-------|-------------|--------|----|----------|--|----------|----------|------|--------|----------|----------|-------------|----------|--------|
|       |             | 1113   |    | 67.29    | 2008 YUKON LICENSE #1252013                          | 6185     | 03/04/10 |      | 1113   | 03/04/10 | 6185     |             | 67.29    |        |
|       |             | 1113   |    | 155.58   | BASIC SERVICE  | 7327     | 05/17/10 |      | 1113   | 05/17/10 | 7327     |             | 155.58   |        |
|       |             | 1113   |    | 75.94    | 2008 F150 LICENSE #1252048                           | 8827     | 10/13/10 |      | 1113   | 10/13/10 | 8827     |             | 75.94    |        |
|       |             | 1113   |    | 391.04   | BRAKE SERVICE  | 8944     | 10/22/10 |      | 1113   | 10/22/10 | 8944     |             | 391.04   |        |
|       |             | 1113   |    | 49.95    | JEEP LIBERTY LICENSE #1319465CA                      | 10586    | 02/02/11 |      | 1113   | 02/02/11 | 10586    |             | 49.95    |        |
|       |             | 1113   |    | 49.95    | BASIC SERVICE & VARIOUS PARTS                        | 11098    | 03/02/11 |      | 1113   | 03/02/11 | 11098    |             | 49.95    |        |
|       |             | 1113   |    | 160.43   | 2001 FORD F150 LICENSE #1104267                      | 12618    | 06/09/11 |      | 1113   | 06/09/11 | 12618    |             | 160.43   |        |
|       |             | 1113   |    | 124.95   | FUEL PUMP & LABOR                                    | 12756    | 06/22/11 |      | 1113   | 06/22/11 | 12756    |             | 124.95   |        |
|       |             | 1113   |    | 727.32   | TRUCK TOWED  | 12818    | 06/27/11 |      | 1113   | 06/27/11 | 12818    |             | 727.32   |        |
|       |             | 3000   |    | 139.94   | 1997 FORD F-150 LICENSE #1104267                     | JR062211 | 06/22/11 |      | 3000   | 06/22/11 | JR062211 |             | 139.94   |        |
|       |             | 1000   |    | 2,100.20 | BASIC SERVICE  | 063011   | 06/30/11 |      | 1000   | 06/30/11 | 063011   |             | 2,100.20 |        |
|       |             | 3011   |    | 935.19   | LICENSE #1129877CA                                   | 061511   | 06/15/11 |      | 3011   | 06/15/11 | 061511   |             | 935.19   |        |
|       |             | 3011   |    | 934.56   | SHOCKS REPLACED                                      | 063011   | 06/30/11 |      | 3011   | 06/30/11 | 063011   |             | 934.56   |        |
|       |             | 1067   |    | 222.32   | LIC# 1133969   | 05029632 | 05/31/11 |      | 1067   | 05/31/11 | 05029632 |             | 222.32   |        |
|       |             | 1067   |    | 177.22   | BASIC SERVICE & TIRE ROTATION                        | 06030673 | 06/09/11 |      | 1067   | 06/09/11 | 06030673 |             | 177.22   |        |
|       |             | 1067   |    | 216.74   | 2008 FORD F-150 LICENSE #1252048                     | 6031843  | 06/23/11 |      | 1067   | 06/23/11 | 6031843  |             | 216.74   |        |
|       |             |        |    |          | NEW TIRES  |          |          |      |        |          |          |             |          |        |
|       |             |        |    |          | SEE INVOICES FOR DETAILS                             |          |          |      |        |          |          |             |          |        |
|       |             |        |    |          | EMPLOYEE BENEFITS PERIOD COVERAGE: 08/01/11-09/01/11 |          |          |      |        |          |          |             |          |        |
|       |             |        |    |          | EMPLOYEE BENEFITS PE:06/01/11-06/15/11               |          |          |      |        |          |          |             |          |        |
|       |             |        |    |          | EMPLOYEE BENEFITS PE-06/16/11-06/30/11               |          |          |      |        |          |          |             |          |        |
|       |             |        |    |          | FUEL FOR CREW TRUCKS                                 |          |          |      |        |          |          |             |          |        |
|       |             |        |    |          | FUEL FOR CREW TRUCKS                                 |          |          |      |        |          |          |             |          |        |
|       |             |        |    |          | FUEL FOR CREW TRUCKS                                 |          |          |      |        |          |          |             |          |        |

U.S.BANK CORPORATE PAYMENT SYS

02 5420 - EMPLOYEE MEDICAL BENEFITS  
 ACWA HEALTH BENEFITS AUTHORITY

02 5421 - RETIREMENT BENEFIT  
 PUBLIC EMP'S RETIREMENT SYSTEM

02 5460 - FUEL & OIL  
 KENNY STRICKLAND, INC.

07/19/11 14:58:55

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT

BORREGO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

VENDOR NAME  
 =====

02 5605 - R & M WELL/PUMP  
 D.G.HUNSINGER/

02 5720 - PUMPING - ELECTRICITY  
 SAN DIEGO GAS & ELECTRIC

03 5420 - EMPLOYEE MEDICAL BENEFITS  
 ACWA HEALTH BENEFITS AUTHORITY

03 5421 - RETIREMENT BENEFIT  
 PUBLIC EMP'S RETIREMENT SYSTEM

03 5650 - FUEL & OIL  
 KENNY STRICKLAND, INC.

AGENCY PAGE 47

| VEND # | PO # | INV DATE | INV #    | DESCRIPTION   | AMOUNT   | ID | NUMBER |
|--------|------|----------|----------|---|----------|----|--------|
| 3030   |      | 05/31/11 | 2270     | ID1 WELL 16-ELECTRICAL LIGHT & EXHAUST FAN INSTALLED      | 262.16   |    |        |
| 1065   |      | 06/19/11 | 061911M  | 6160 624 622 9<br>951 RANGO WAY<br>ID1-16                 | 4,750.75 |    |        |
| 1065   |      | 06/20/11 | 062011   | 9489 482 054 6<br>5065 BORREGO SPRING RD<br>ID1-2         | 16.20    |    |        |
| 1065   |      | 06/20/11 | 062011E  | 6114 522 473 7<br>3352 BORREGO VALLEY RD<br>ID1-12        | 5,092.47 |    |        |
| 1065   |      | 06/20/11 | 062011H  | 1614 196 067 6<br>4275 YAQUI PASS RD<br>BOOSTER STATION 2 | 1,203.27 |    |        |
| 1065   |      | 06/20/11 | 062011I  | 1614 489 405 4<br>5037 BORREGO SPRINGS RD<br>ID1-8        | 53.56    |    |        |
| 1065   |      | 06/20/11 | 062011K  | 3864 202 758 1<br>2510 RAMS HILL DR<br>BOOSTER STATION 1  | 258.56   |    |        |
| 1065   |      | 06/20/11 | 062011N  | 7285 625 351 8<br>4201 BORREGO SPRINGS RD<br>ID1-10       | 1,224.89 |    |        |
| 1065   |      | 06/20/11 | 062011W  | 8364 482 055 9<br>5073 BORREGO SPRINGS RD<br>ID1-1        | 16.52    |    |        |
| 1000   |      | 06/30/11 | 063011   | EMPLOYEE BENEFITS PERIOD COVERAGE:<br>08/01/11-09/01/11   | 2,798.93 |    |        |
| 3011   |      | 06/15/11 | 061511   | EMPLOYEE BENEFITS<br>PE-06/01/11-06/15/11                 | 1,246.33 |    |        |
| 3011   |      | 06/30/11 | 063011   | EMPLOYEE BENEFITS<br>PE-06/16/11-06/30/11                 | 1,245.49 |    |        |
| 1067   |      | 05/31/11 | 05029632 | FUEL FOR CREW TRUCKS                                      | 111.17   |    |        |
| 1067   |      | 06/09/11 | 06030673 | FUEL FOR CREW TRUCKS                                      | 88.60    |    |        |
| 1067   |      | 06/23/11 | 6031843  | FUEL FOR CREW TRUCKS                                      | 108.37   |    |        |

BORREGO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

04 5180 - BAD DEBT EXPENSE  
 RECORDER/COUNTY CLERK'S OFFICE 9387 06/15/11 061511 LIEN RELEASE:05-1274-2  
 LIEN RELEASE:05-9001-2 26.00

04 5420 - EMPLOYEE MEDICAL BENEFITS  
 ACWA HEALTH BENEFITS AUTHORITY 1000 06/30/11 063011 EMPLOYEE BENEFITS  
 PERIOD COVERAGE:  
 08/01/11-09/01/11 3,735.24

04 5421 - RETIREMENT BENEFIT  
 PUBLIC EMP'S RETIREMENT SYSTEM 3011 06/15/11 061511 EMPLOYEE BENEFITS  
 PE:06/01/11-06/15/11 1,663.25  
 3011 06/30/11 063011 EMPLOYEE BENEFITS  
 PE-06/16/11-06/30/11 1,662.13

04 5460 - FUEL & OIL  
 KENNY STRICKLAND, INC. 1067 05/31/11 05029632 FUEL FOR CREW TRUCKS 444.68  
 1067 06/09/11 06030673 FUEL FOR CREW TRUCKS 354.41  
 1067 06/23/11 6031843 FUEL FOR CREW TRUCKS 433.44

04 5720 - PUMPING - ELECTRICITY  
 SAN DIEGO GAS & ELECTRIC 1065 05/20/11 052011B 3909 503 745 7 5,887.85  
 1775 BORREGO SPRINGS RD  
 ID4-4  
 1065 06/20/11 062011L 6160 427 632 7 560.73  
 COUNTRY CLUB RD  
 ID4-2  
 1065 06/20/11 062011S 4240 011 405 2 10.33  
 301 SLASH M RD  
 COUNTRY CLUB TANK

1065 06/20/11 062011T 5035 410 733 7 2,128.30  
 3528 COUNTRY CLUB RD  
 ID4-10  
 1065 06/21/11 062111Q 2881 512 118 8 1,296.56  
 1111 INDIAN HEAD RANCH  
 ID4-18  
 1065 06/21/11 062111R 3909 503 745 7 12,056.57  
 1775 BORREGO SPRINGS RD  
 ID4-4  
 1065 06/21/11 062111U 9534 569 937 1 4,812.47  
 2201 DIGUENO RD  
 ID4-11

04 5460 - TESTING/LAB WORK  
 E.C. BABCOCK & SONS, INC. 9255 06/30/11 063011 WATER SAMPLES  
 FROM ALL WELLS  
 JUNE 2011 315.00

AGENDA ITEM 48

BORREGO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

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VENDOR NAME

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VEND #

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PO #

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INV DATE

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INV #

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DESCRIPTION

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AMOUNT

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ID

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NUMBER

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05 5420 - EMPLOYEE MEDICAL BENEFITS  
 ACWA HEALTH BENEFITS AUTHORITY 1000  
 EMPLOYEE BENEFITS  
 PERIOD COVERAGE:  
 08/01/11-09/01/11  
 399.28

05 5421 - RETIREMENT BENEFIT  
 PUBLIC EMP'S RETIREMENT SYSTEM 3011  
 3011  
 06/15/11 061511  
 EMPLOYEE BENEFITS  
 PE:06/01/11-06/15/11  
 EMPLOYEE BENEFITS  
 PE-06/16/11-06/30/11  
 177.79  
 177.67

05 5460 - FUEL & OIL  
 KENNY STRICKLAND, INC.  
 1067 05/31/11 05029632 FUEL FOR CREW TRUCKS 55.59  
 1067 06/09/11 06030673 FUEL FOR CREW TRUCKS 44.30  
 1067 06/23/11 6031843 FUEL FOR CREW TRUCKS 54.19

05 5600 - R & M BUILDINGS & EQUIPMENT  
 JAMES G HORMUTH/DBA TRUE VALUE 1022  
 WYMORE, INC. 1064  
 ZEP MANUFACTURING COMPANY 1218  
 06/30/11 063011 SEE INVOICES FOR DETAILS 37.29  
 06/09/11 1145920 PART FOR TRACTOR 203.20  
 06/09/11 1145920 FABRICATED SHACKLE FOR TRACTOR 101.60

DEBBIE MORETTI 1222  
 1222 06/06/11 13784 PEST CONTROL 35.00  
 06/30/11 063011 PEST CONTROL 35.00  
 06/20/11 W89822 PREVENTATIVE MAINT. PER CONTRACT RAMS HILL GENERATOR & PKG PLANT 600.00  
 06/22/11 W89885 ID-2 ATS SERVICE FULL LOAD TEST 513.33

BAY CITY ELECTRIC WORKS 1481  
 1481 06/10/11 148081 SEE INVOICES FOR DETAILS 50.10  
 05/31/11 053111 130.14

05 5662 - OFFICE SUPPLIES  
 BORREGO SPRINGS BOTTLED WATER 1003  
 1003 05/31/11 053111 BOTTLED WATER FOR YARD & WWTP OFFICES 16.60  
 06/30/11 063011 BOTTLED WATER FOR YARD & WWTP OFFICES 32.34

BORREGO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

VENDOR NAME  
 =====

05 5720 - PUMPING - ELECTRICITY  
 SAN DIEGO GAS & ELECTRIC

05 5858 - TELEPHONE  
 AT&T-CALNET 2

05 5860 - TESTING/LAB WORK  
 E.S. BABCOCK & SONS, INC.

06 5260 - CONTRACT LABOR  
 ESTELA SANCHEZ

06 5420 - EMPLOYEE MEDICAL BENEFITS  
 ACWA HEALTH BENEFITS AUTHORITY

06 5421 - RETIREMENT BENEFIT  
 PUBLIC EMP'S RETIREMENT SYSTEM

06 5460 - FUEL & OIL  
 KENNY STRICKLAND, INC.

06 5600 - R & M BUILDINGS & EQUIPMENT  
 ZEP MANUFACTURING COMPANY

06 5600 - R & M BUILDINGS & EQUIPMENT  
 ZEP MANUFACTURING COMPANY

06 5600 - R & M BUILDINGS & EQUIPMENT  
 ZEP MANUFACTURING COMPANY

06 5600 - R & M BUILDINGS & EQUIPMENT  
 ZEP MANUFACTURING COMPANY

VEND #  
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PO #  
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INV DATE  
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INV #  
 =====

DESCRIPTION  
 =====

AMOUNT  
 =====

ID  
 =====

NUMBER  
 =====

1065

2739 492 349 3  
 4861 BORREGO SPRINGS RD  
 TREATMENT PLANT

06/20/11

062011J

2,717.44

9529

MONTHLY CHARGES  
 WWTP-JUNE 2011

06/22/11

2456220B

35.23

9255

WATER SAMPLES  
 FROM ALL WELLS  
 JUNE 2011

06/30/11

063011

55.00

9451

CLEANING AT WWTP  
 OFFICE FOR 6 MONTHS

06/30/11

063011

360.00

1000

EMPLOYEE BENEFITS  
 PERIOD COVERAGE:  
 08/01/11-09/01/11

06/30/11

063011

399.28

3011

EMPLOYEE BENEFITS  
 PE:06/01/11-06/15/11

06/15/11

061511

177.79

3011

EMPLOYEE BENEFITS  
 PE-06/16/11-06/30/11

06/30/11

063011

177.67

1067

FUEL FOR CREW TRUCKS

05/31/11

05029632

55.59

1067

FUEL FOR CREW TRUCKS

06/09/11

06030673

44.30

1067

FUEL FOR CREW TRUCKS

06/23/11

6031843

54.19

1218

FABRICATED  
 SHACKLE FOR  
 TRACTOR

06/09/11

1145920

101.60

1481

PREVENTATIVE  
 MAINT. PER CONTRACTOR  
 RAMS HILL GENERATOR  
 & PKG PLANT

06/20/11

W89822

600.00

1481

ID-2 ATS SERVICE  
 FULL LOAD TEST

06/22/11

W89885

513.32

BORREGO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

VENDOR NAME  
 =====  
 VENDOR # PO # INV DATE INV # DESCRIPTION AMOUNT ID NUMBER  
 =====

06 5601 - R & M WWTP  
 NAPA AUTO PARTS INC  
 HOME DEPOT CREDIT SERVICES  
 1016  
 1136  
 06/10/11 148081 50.09  
 05/31/11 053111 130.14  
 SEE INVOICES  
 FOR DETAILS

06 5720 - PUMPING - ELECTRICITY  
 SAN DIEGO GAS & ELECTRIC  
 1065  
 06/20/11 062011C 238.56  
 3607 425 233 9  
 2990 BORREGO VALLEY RD  
 TC LIFT STATION-ID5

07 5600 - R & M BUILDINGS & EQUIPMENT  
 CENTER MARKET  
 1135  
 06/30/11 063011 32.31  
 INGREDIENTS FOR  
 PEST CONTROL  
 MIXTURE

10 5420 - EMPLOYEE BENEFITS  
 ACWA HEALTH BENEFITS AUTHORITY  
 1000  
 06/30/11 063011 399.28  
 EMPLOYEE BENEFITS  
 PERIOD COVERAGE:  
 08/01/11-09/01/11

10 5421 - RETIREMENT BENEFIT  
 PUBLIC EMP'S RETIREMENT SYSTEM  
 3011  
 06/15/11 061511 177.79  
 EMPLOYEE BENEFITS  
 PE:06/01/11-06/15/11

10 5601 - R & M SEWER  
 NAPA AUTO PARTS INC  
 HOME DEPOT CREDIT SERVICES  
 1016  
 1136  
 06/10/11 148081 50.09  
 05/31/11 053111 130.14  
 SEE INVOICES  
 FOR DETAILS

10 5720 - PUMPING - ELECTRICITY  
 SAN DIEGO GAS & ELECTRIC  
 1065  
 06/20/11 062011G 541.52  
 9525 627 944 5  
 2989 BORREGO VALLEY RD  
 PACKAGE PLANT

10 5660 - TESTING/LAB WORK-SEWER  
 E.F. BABCOCK & SONS, INC.  
 9255  
 06/30/11 063011 1,770.00  
 WATER SAMPLES  
 FROM ALL WELLS  
 JUNE 2011

10 5690 - TRASH REMOVAL  
 ALIATED WASTE SERVICES #467  
 3034  
 06/30/11 1266140 196.41  
 3-0467-0017715  
 2990 BORREGO VALLEY RD  
 BASIC SERVICE

ALICIA PANDA PA 51

BORRERO WATER DISTRICT  
 CHECK DATE 06/23/11-07/19/11

HISTORICAL A/P INVOICE DISTRIBUTIONS BY GL ACCOUNT  
 07/19/11

| VENDOR NAME   | VEND # | PO # | INV DATE | INV #    | DESCRIPTION  | AMOUNT   | ID | NUMBER |
|---|--------|------|----------|----------|--|----------|----|--------|
| 14 5420 - EMPLOYEE MEDICAL BENEFITS<br>ACWA HEALTH BENEFITS AUTHORITY | 1000   |      | 06/30/11 | 063011   | EMPLOYEE BENEFITS<br>PERIOD COVERAGE:<br>08/01/11-09/01/11             | 439.20   |    |        |
| 14 5421 - RETIREMENT BENEFIT<br>PUBLIC EMP'S RETIREMENT SYSTEM        | 3011   |      | 06/15/11 | 061511   | EMPLOYEE BENEFITS<br>PE:06/01/11-06/15/11                              | 195.57   |    |        |
|   | 3011   |      | 06/30/11 | 063011   | EMPLOYEE BENEFITS<br>PE-06/16/11-06/30/11                              | 195.44   |    |        |
| 14 5460 - FUEL & OIL<br>KENNY STRICKLAND, INC.                        | 1067   |      | 05/31/11 | 05029632 | FUEL FOR CREW TRUCKS   | 55.59    |    |        |
|   | 1067   |      | 06/09/11 | 06030673 | FUEL FOR CREW TRUCKS   | 44.30    |    |        |
|   | 1067   |      | 06/23/11 | 6031843  | FUEL FOR CREW<br>TRUCKS  | 54.19    |    |        |
| 14 5560 - LEGAL SERVICES<br>PROCOPIO, CORY, HARGREAVES                | 9539   |      | 06/30/11 | 425778   | PROFESSIONAL FEES<br>THROUGH JUNE 2011<br>PER AGREEMENT                | 975.00   |    |        |
| 14 5600 - MAINTENANCE & REPAIRS<br>DEBBIE MORETTI                     | 1222   |      | 06/30/11 | 063011   | PEST CONTROL<br>ALL OUTLETS<br>JUNE 2011                               | 32.00    |    |        |
| 14 5720 - PUMPING - ELECTRICITY<br>SAN DIEGO GAS & ELECTRIC           | 1065   |      | 06/20/11 | 062011A  | 1614 548 936 7<br>W CLUB CIRCLE S                                      | 9.76     |    |        |
|   | 1065   |      | 06/20/11 | 062011F  | CLUB CIRCLE GOLF<br>6114 527 629 9<br>TILTING T DR<br>CLUB CIRCLE GOLF | 9.56     |    |        |
| 15 5401 - FEES/DEH<br>AUDITOR/CONTROLLER/SAN DIEGO                    | 2      |      | 06/20/11 | LC11-04  | LAFCO COST<br>FOR FY 2011-<br>2012/CSD                                 | 175.00   |    |        |
| 15 5520 - EMPLOYEE MEDICAL BENEFITS<br>ACWA HEALTH BENEFITS AUTHORITY | 1000   |      | 06/30/11 | 063011   | EMPLOYEE BENEFITS<br>PERIOD COVERAGE:<br>08/01/11-09/01/11             | 2,100.20 |    |        |

| VENDOR NAME  | VEND #               | PO #  | INV DATE                         | INV #                           | DESCRIPTION  | AMOUNT                  | ID    | NUMBER |
|--|----------------------|-------|----------------------------------|---------------------------------|--|-------------------------|-------|--------|
| =====  | =====                | ===== | =====                            | =====                           | =====  | =====                   | ===== | =====  |
| 15 5421 - RETIREMENT BENEFIT<br>PUBLIC EMP'S RETIREMENT SYSTEM | 3011                 |       | 06/15/11                         | 061511                          | EMPLOYEE BENEFITS<br>PE:06/01/11-06/15/11                            | 935.21                  |       |        |
|  | 3011                 |       | 06/30/11                         | 063011                          | EMPLOYEE BENEFITS<br>PE-06/16/11-06/30/11                            | 934.56                  |       |        |
| 15 5460 - FUEL & OIL<br>KENNY STRICKLAND, INC.                 | 1067<br>1067<br>1067 |       | 05/31/11<br>06/09/11<br>06/23/11 | 05029632<br>06030673<br>6031843 | FUEL FOR CREW TRUCKS<br>FUEL FOR CREW TRUCKS<br>FUEL FOR CREW TRUCKS | 55.59<br>44.30<br>54.19 |       |        |
| 15 5605 - R & M WELL/PUMP<br>D.G.HUNSINGER/                    | 3030                 |       | 06/28/11                         | 2286                            | ELECTRICAL WORK<br>FOR LIGHT & EXHAUST<br>FAN ID5-5                  | 283.27                  |       |        |
| 15 5720 - PUMPING - ELECTRICITY<br>SAN DIEGO GAS & ELECTRIC    | 1065                 |       | 06/20/11                         | 062011D                         | 4785 979 020 3<br>3003 LOFTER DR<br>ID5-5                            | 4,522.57                |       |        |
| 15 5890 - TRASH REMOVAL<br>ALLIED WASTE SERVICES #467          | 3034                 |       | 06/30/11                         | 1265989                         | 3-0467-0007554<br>3155 HONOR COURT<br>BASIC SERVICE                  | 2,317.62                |       |        |
| ***** GRAND TOTAL FOR 177 DISTRIBUTIONS                        |                      |       |                                  |                                 |  | 217,223.88              |       |        |

DISTRIBUTION SUMMARY

| G/L ACCOUNT# | DESCRIPTION                    | AMOUNT    |
|--------------|--------------------------------|-----------|
| 01 1510      | INVENTORY CONTROL              | 494.64    |
| 01 1712      | SUSTAINABLE WATER PROJECT-CIP  | 6,287.50  |
| 01 1714      | WATER DIST SYSTEM IMP-CIP      | 332.60    |
| 01 1719      | BUILDINGS/STRUCTURES-CIP       | 556.78    |
| 01 1722      | GW MANAGEMENT PROGRAM-CIP      | 2,091.25  |
| 01 2300      | ACCRUED INTEREST PAYABLE       | 25,324.00 |
| 01 2410      | MESQUITE TRAILS DEPOSIT        | 25,236.25 |
| 01 2790      | CURRENT PORTION LONG TERM DEBT | 44,676.00 |
| 01 5100      | ACCOUNTING                     | 3,206.45  |
| 01 5160      | AUDIT FEES                     | 6,000.00  |
| 01 5172      | MILEAGE REIMB/AUTO ALLOWANCE   | 13.00     |
| 01 5180      | BAD DEBT EXPENSE               | 240.00    |
| 01 5190      | BOARD MEETING EXPENSE          | 807.50    |
| 01 5200      | COMPUTER BILLING               | 366.40    |
| 01 5240      | CONFERENCE/TRAVEL              | 632.50    |
| 01 5400      | DUES & SUBSCRIPTIONS           | 3,066.86  |
| 01 5401      | FEES                           | 7,592.24  |
| 01 5420      | EMPLOYEE MEDICAL BENEFITS      | 6,759.19  |
| 01 5421      | EMPLOYEE RETIREMENT BENEFITS   | 308.14    |
| 01 5460      | FUEL & OIL                     | 587.84    |
| 01 5520      | INSURANCE                      | 4,868.10  |
| 01 5521      | WORKERS COMPENSATION           | 9,254.60  |
| 01 5560      | LEGAL SERVICES                 | 2,370.77  |
| 01 5600      | R & M BUILDINGS & EQUIPMENT    | 1,283.05  |
| 01 5662      | OFFICE SUPPLIES                | 1,346.11  |
| 01 5663      | OFFICE EQUIPMENT               | 1,157.15  |
| 01 5664      | OFFICE UTILITIES               | 1,157.15  |
| 01 5700      | PRINTING,PUBLICATION & NOTICES | 137.67    |
| 01 5852      | ANSWERING SERVICE              | 798.24    |
| 01 5854      | CELLULAR PHONE                 | 263.74    |
| 01 5858      | TELEPHONE                      | 140.00    |
| 01 5860      | TESTING/LAB WORK               | 272.79    |
| 01 5890      | TRASH REMOVAL                  | 683.19    |
| 01 5895      | UNIFORMS                       | 1,974.17  |
| 01 5896      | VEHICLE EXPENSE                | 2,100.20  |
| 02 5420      | EMPLOYEE MEDICAL BENEFITS      | 1,869.75  |
| 02 5421      | RETIREMENT BENEFIT             | 616.28    |
| 02 5460      | FUEL & OIL                     | 262.16    |
| 02 5605      | R & M WELL/PUMP                | 12,616.22 |
| 02 5720      | PUMPING - ELECTRICITY          | 2,798.93  |
| 03 5420      | EMPLOYEE MEDICAL BENEFITS      | 2,491.82  |
| 03 5421      | RETIREMENT BENEFIT             | 308.14    |
| 04 5180      | FUEL & OIL                     | 26.00     |
| 04 5180      | BAD DEBT EXPENSE               | 3,735.24  |
| 04 5420      | EMPLOYEE MEDICAL BENEFITS      | 3,325.38  |
| 04 5421      | RETIREMENT BENEFIT             | 1,232.53  |
| 04 5460      | FUEL & OIL                     | 26,752.81 |
| 04 5720      | PUMPING - ELECTRICITY          | 315.00    |
| 04 5860      | TESTING/LAB WORK               | 399.28    |
| 05 5420      | EMPLOYEE MEDICAL BENEFITS      | 355.46    |
| 05 5421      | RETIREMENT BENEFIT             | 154.08    |
| 05 5460      | FUEL & OIL                     |           |

DISTRIBUTION SUMMARY

| G/L ACCOUNT# | DESCRIPTION                 | AMOUNT            |
|--------------|-----------------------------|-------------------|
| 05 5600      | R & M BUILDINGS & EQUIPMENT | 1,525.42          |
| 05 5601      | R & M WWTP                  | 180.24            |
| 05 5662      | OFFICE SUPPLIES             | 48.94             |
| 05 5720      | PUMPING - ELECTRICITY       | 2,717.44          |
| 05 5858      | TELEPHONE                   | 35.23             |
| 05 5860      | TESTING/LAB WORK            | 55.00             |
| 06 5260      | CONTRACT LABOR              | 360.00            |
| 06 5420      | EMPLOYEE MEDICAL BENEFITS   | 399.28            |
| 06 5421      | RETIREMENT BENEFIT          | 355.46            |
| 06 5460      | FUEL & OIL                  | 154.08            |
| 06 5600      | R & M BUILDINGS & EQUIPMENT | 1,214.92          |
| 06 5601      | R & M WWTP                  | 180.23            |
| 06 5720      | PUMPING - ELECTRICITY       | 238.56            |
| 07 5600      | R & M BUILDINGS & EQUIPMENT | 32.31             |
| 10 5420      | EMPLOYEE BENEFITS           | 399.28            |
| 10 5421      | RETIREMENT BENEFIT          | 355.46            |
| 10 5601      | R & M SEWER                 | 180.23            |
| 10 5720      | PUMPING - ELECTRICITY       | 541.52            |
| 10 5860      | TESTING/LAB WORK-SEWER      | 1,770.00          |
| 10 5890      | TRASH REMOVAL               | 196.41            |
| 14 5420      | EMPLOYEE MEDICAL BENEFITS   | 439.20            |
| 14 5421      | RETIREMENT BENEFIT          | 391.01            |
| 14 5460      | FUEL & OIL                  | 154.08            |
| 14 5560      | LEGAL SERVICES              | 975.00            |
| 14 5600      | MAINTENANCE & REPAIRS       | 32.00             |
| 14 5720      | PUMPING - ELECTRICITY       | 19.32             |
| 15 5401      | FEES/DEH                    | 175.00            |
| 15 5420      | EMPLOYEE MEDICAL BENEFITS   | 2,100.20          |
| 15 5421      | RETIREMENT BENEFIT          | 1,869.77          |
| 15 5460      | FUEL & OIL                  | 154.08            |
| 15 5605      | R & M WELL/PUMP             | 283.27            |
| 15 5720      | PUMPING - ELECTRICITY       | 4,522.57          |
| 15 5890      | TRASH REMOVAL               | 2,317.62          |
|              |                             | 217,223.88        |
|              |                             | <70,000.00>       |
|              |                             | <u>147,223.88</u> |

217,223.88  
<70,000.00>  
147,223.88

BWD CASH FLOW  
18 MONTH PROJECTION

|                                     | PROJECTED<br>JUNE<br>2011 | ACTUAL<br>JUNE<br>2011 | ACTUAL<br>FYE<br>2011 | BUDGET<br>FY 2012 | JULY<br>2011   | AUGUST<br>2011 |
|-------------------------------------|---------------------------|------------------------|-----------------------|-------------------|----------------|----------------|
| <b>REVENUE</b>                      |                           |                        |                       |                   |                |                |
| <b>WATER REVENUE</b>                |                           |                        |                       |                   |                |                |
| Residential Water Sales (1)         | 75,421                    | 72,277                 | 72,277                | 424,312           | 75,954         | 94,362         |
| Commercial Water Sales              | 8,492                     | 8,390                  | 8,390                 | 98,000            | 12,774         | 14,370         |
| Irrigation Water Sales              | 11,969                    | 7,053                  | 7,053                 | 99,000            | 16,506         | 10,206         |
| GWM Surcharge                       | 8,593                     | 6,663                  | 6,663                 | 94,000            | 10,577         | 12,059         |
| Water Sales Power Portion           | 25,218                    | 20,822                 | 20,822                | 277,000           | 30,923         | 35,222         |
| Readiness Water Charge              | 53,243                    | 54,075                 | 54,075                | 635,000           | 70,703         | 67,041         |
| Meter Installation                  | 0                         |                        | 0                     | 40,000            | -              | 5,000          |
| Water hook-up charge                | 0                         |                        | 0                     | 0                 | 19,875         |                |
| Reconnect Fees                      | 0                         | 2,237                  | 2,237                 | 6,500             | 680            | 680            |
| Backflow Testing/Installation       |                           |                        | 0                     | 3,300             |                |                |
| Bulk Water Sales                    | 0                         | 359                    | 359                   | 1,200             | 100            | 100            |
| Penalty & Interest Water Collection | 2,000                     | 2,135                  | 2,135                 | 24,000            | 2,000          | 2,000          |
| <b>TOTAL WATER REVENUE:</b>         | <b>184,936</b>            | <b>174,011</b>         | <b>174,011</b>        | <b>1,702,312</b>  | <b>240,092</b> | <b>241,040</b> |

(1) Assumed Montezoro golf course will not be watered June thru October resulting in approximately \$100,000 in lost revenue.

**PROPERTY ASSESSMENTS/AVAILABILITY CHARGES**

|   | Accts Rec.     | PROJECTED<br>JUNE<br>2011 | ACTUAL<br>JUNE<br>2011 | ACTUAL<br>FYE<br>2011 | BUDGET<br>FY 2012 | JULY<br>2011   | AUGUST<br>2011 |
|---|----------------|---------------------------|------------------------|-----------------------|-------------------|----------------|----------------|
| 641500 1% Property Assessments                            | 2,313          | 1,099                     | 1,469                  | 1,469                 | 69,080            | 2,313          | 0              |
| 641502 Property Assessments wtr/swr/flid                  |                | 2,838                     | 3,201                  | 3,201                 | 45,000            | 0              | 0              |
| 641502 Property Assessments wtr/swr/flid-delinq-Montezoro | 300,969        |                           | 0                      | 0                     |                   | 300,969        | 0              |
| 641501 Water avail Standby                                | 20,431         | 1,600                     | 2,584                  | 2,584                 | 82,673            | 20,431         | 0              |
| 641504 ID 3 Water Standby                                 |                |                           |                        | 0                     |                   | 0              | 0              |
| 641504 ID 3 Water Standby-delinquent La Casa              | 3,398          | 20,621                    | 20,621                 | 20,621                | 33,760            | 3,398          | 0              |
| 641503 Pest standby                                       | 8,807          | 1,752                     | 1,936                  | 1,936                 | 17,953            | 8,807          | 0              |
| Penalty & Interest-Avail Charges                          |                |                           |                        | 0                     | 1,000             |                |                |
| <b>TOTAL PROPERTY ASSESSMENT CHARGES:</b>                 | <b>335,917</b> | <b>27,910</b>             | <b>29,810</b>          | <b>29,810</b>         | <b>249,466</b>    | <b>335,918</b> | <b>0</b>       |

**SEWER SERVICE CHARGES**

|                                     |               |               |               |                |               |               |
|-------------------------------------|---------------|---------------|---------------|----------------|---------------|---------------|
| Town Center Sewer Holder's Fees     | 15,012        | 15,012        | 15,012        | 180,140        | 15,012        | 15,012        |
| Sewer user Fees                     | 17,771        | 24,219        | 24,219        | 221,400        | 23,102        | 23,102        |
| Penalty Interest-Sewer              | 100           | 0             | 0             | 1,800          | 150           | 150           |
| Sewer Hook-up Fees                  | 0             | 0             | 0             | 0              | 0             | 0             |
| Sewer Inspection Fees               | 0             | 0             | 0             | 200            | 663           | 0             |
| Sewer Capacity Fees                 | 0             | 0             | 0             | 12,138         | 9,445         | 0             |
| <b>TOTAL SEWER SERVICE CHARGES:</b> | <b>32,883</b> | <b>39,231</b> | <b>39,231</b> | <b>415,678</b> | <b>48,371</b> | <b>38,264</b> |

**PARK/GOLF INCOME**

|                                   |              |              |              |              |              |          |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|----------|
| CSD Fees-(golf/trash SA 5 -2,500) | 8,108        | 8,043        | 8,043        |              | 5,608        | 0        |
| CC Golf 10 Play Books             | 0            | 0            | 0            |              | 0            | 0        |
| CC Golf Honor Box Play            | 663          | 344          | 344          |              | 0            | 0        |
| CC Golf Annual Memberships        | 0            | 0            | 0            |              | 0            | 0        |
| CC Golf Monthly Memberships       | 0            | 0            | 0            |              | 0            | 0        |
| <b>TOTAL PARK/GOLF INCOME:</b>    | <b>8,771</b> | <b>8,387</b> | <b>8,387</b> | <b>8,387</b> | <b>5,608</b> | <b>0</b> |

**OTHER INCOME**

|                                  |            |                |                |                |              |              |
|----------------------------------|------------|----------------|----------------|----------------|--------------|--------------|
| Rent Income-San Diego County     | 643        | 643            | 643            | 7,715          | 643          | 643          |
| Annexation Fees                  | 0          | 0              | 0              | 0              | 0            | 0            |
| Fire Hydrant Installation        | 0          | 0              | 0              | 5,000          | 0            | 0            |
| Miscellaneous Income             | 0          | 15             | 15             | 5,000          | 417          | 417          |
| Administrative Fee-Water Credits | 0          | 500            | 500            | 5,000          | 1,000        | 1,000        |
| Gain on Asset Sold               | 0          | 0              | 0              | 1,500          | 0            | 0            |
| Stag Grant                       |            | 135,000        | 135,000        | 125,000        |              |              |
| <b>TOTAL OTHER INCOME:</b>       | <b>643</b> | <b>136,158</b> | <b>136,158</b> | <b>149,215</b> | <b>2,060</b> | <b>2,060</b> |

**INTEREST INCOME**

|                               |           |           |           |              |            |            |
|-------------------------------|-----------|-----------|-----------|--------------|------------|------------|
| Interest Income-LAIF          |           | 0         | 0         | 50           | 25         | 0          |
| Interest Income-Other         | 50        | 47        | 47        | 1,500        | 125        | 125        |
| <b>TOTAL INTEREST INCOME:</b> | <b>50</b> | <b>47</b> | <b>47</b> | <b>1,550</b> | <b>150</b> | <b>125</b> |

**TOTAL INCOME PROJECTED FYE 2011 through JULY, 2012:** **255,193** **387,643** **387,643** **2,518,221** **632,197** **281,490**

**EXPENSES**

**MAINTENANCE EXPENSE**

|                                    |               |               |               |                |               |               |
|------------------------------------|---------------|---------------|---------------|----------------|---------------|---------------|
| R & M Buildings & Equipment        | 6,100         | 11531.09      | 11,531        | 110,000        | 9,167         | 9,167         |
| R & M Wells/pipelines/Pumps - WWTP | 3,000         | 555.7         | 556           | 35,000         | 2,917         | 2,917         |
| R & M Collection System            | 0             | 0             | 0             |                |               |               |
| R & M Reservoirs                   | 0             | 0             | 0             |                |               |               |
| R & M Water System                 | 1,090         | 0             | 0             |                |               |               |
| R & M Well/Pump                    | 1,500         | 6040.48       | 6,040         |                |               |               |
| Equipment Rental                   | 77            | 0             | 0             |                |               |               |
| Telemetry                          | 0             | 0             | 0             | 20,000         | 0             | 0             |
| Trash Removal                      | 2,772         | 2786.82       | 2,787         | 7,500          | 625           | 625           |
| Vehicle Expense                    | 0             |               | 0             | 17,000         | 1,417         | 1,417         |
| <b>TOTAL MAINTENANCE EXPENSE:</b>  | <b>14,539</b> | <b>20,914</b> | <b>20,914</b> | <b>189,500</b> | <b>14,125</b> | <b>14,126</b> |

**PROFESSIONAL SERVICES EXPENSE**

|   |              |               |               |                |               |               |
|---|--------------|---------------|---------------|----------------|---------------|---------------|
| Accounting                                  | 500          | 3,206         | 3,206         | 8,000          | 667           | 667           |
| Administrative Services                     | 150          | 303           | 303           | 4,000          | 333           | 333           |
| Audit Fees                                  | 0            | 6,000         | 6,000         | 26,000         |               |               |
| Computer billing                            | 1,250        | 1,294         | 1,294         | 12,000         | 1,000         | 1,000         |
| Consulting/Technical                        |              | 1,020         | 1,020         | 25,000         | 2,083         | 2,083         |
| Engineering                                 | 1,000        | -             | 0             | 25,000         | 2,083         | 2,083         |
| Legal Services                              | 3,000        | 5,421         | 5,421         | 60,000         | 5,000         | 5,000         |
| Testing/lab work                            | 1,500        | 2,653         | 2,653         | 25,000         |               |               |
| <b>TOTAL PROFESSIONAL SERVICES EXPENSE:</b> | <b>7,400</b> | <b>19,897</b> | <b>19,897</b> | <b>185,000</b> | <b>13,250</b> | <b>13,249</b> |

| SEPT<br>2011 | OCT<br>2011 | NOV<br>2011 | DEC<br>2011 | JAN<br>2012 | FEB<br>2012 | MARCH<br>2012 | APRIL<br>2012 | MAY<br>2012 | JUNE<br>2012 | PROJECTED<br>2011-2012 |
|--------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|-------------|--------------|------------------------|
| 96,776       | 79,554      | 96,633      | 82,341      | 46,579      | 34,866      | 52,078        | 77,648        | 84,877      | 98,047       | 919,513                |
| 16,757       | 10,811      | 8,819       | 9,104       | 7,459       | 7,002       | 8,490         | 9,988         | 9,754       | 11,040       | 126,168                |
| 12,678       | 13,685      | 9,529       | 9,369       | 4,498       | 3,102       | 7,335         | 11,881        | 11,556      | 15,560       | 125,904                |
| 12,867       | 10,492      | 12,052      | 10,403      | 5,918       | 4,398       | 6,978         | 10,197        | 11,198      | 11,171       | 118,310                |
| 37,244       | 30,932      | 36,150      | 30,862      | 17,336      | 13,156      | 20,680        | 30,476        | 33,387      | 32,783       | 349,151                |
| 68,764       | 68,514      | 68,747      | 68,777      | 68,845      | 68,472      | 68,713        | 68,442        | 68,627      | 69,216       | 825,860                |
| -            | 5,000       | -           | 5,000       | 0           | 5,000       | 0             | 10,000        | 5,000       | 5,000        | 40,000                 |
| 680          | 680         | 680         | 680         | 680         | 680         | 680           | 680           | 680         | 680          | 19,875                 |
| 100          | 100         | 100         | 100         | 100         | 100         | 100           | 100           | 100         | 100          | 8,160                  |
| 2,000        | 2,000       | 2,000       | 2,000       | 2,000       | 2,000       | 2,000         | 2,000         | 2,000       | 2,000        | 0                      |
| 247,865      | 222,567     | 234,710     | 218,635     | 153,415     | 138,576     | 167,055       | 221,412       | 227,178     | 245,597      | 1,200                  |
|              |             |             |             |             |             |               |               |             |              | 24,000                 |
|              |             |             |             |             |             |               |               |             |              | 2,558,142              |
| 0            | 0           | 0           | 33,032      | 0           | 0           | 0             | 33,032        | 0           | 0            | 68,377                 |
| 0            | 0           | 0           | 10,626      | 0           | 0           | 0             | 10,626        | 0           | 0            | 21,252                 |
| 0            | 0           | 0           | 66,135      | 0           | 0           | 0             | 66,135        | 0           | 0            | 433,238                |
| 0            | 0           | 0           | 41,336      | 0           | 0           | 0             | 41,336        | 0           | 0            | 103,103                |
| 0            | 0           | 0           | 6,805       | 0           | 0           | 0             | 6,805         | 0           | 0            | 13,610                 |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 3,398                  |
| 0            | 0           | 0           | 8,976       | 0           | 0           | 0             | 8,976         | 0           | 0            | 26,759                 |
| 0            | 0           | 0           | 166,910     | 0           | 0           | 0             | 166,910       | 0           | 0            | 0                      |
|              |             |             |             |             |             |               |               |             |              | 669,737                |
| 15,012       | 15,012      | 15,012      | 15,012      | 15,012      | 15,012      | 15,012        | 15,012        | 15,012      | 15,012       | 180,144                |
| 23,102       | 23,102      | 23,102      | 23,102      | 23,102      | 23,102      | 23,102        | 23,102        | 23,102      | 23,102       | 277,228                |
| 150          | 150         | 150         | 150         | 150         | 150         | 150           | 150           | 150         | 150          | 1,800                  |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 0                      |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 663                    |
| 0            | 0           | 0           | 1,012       | 1,012       | 1,012       | 1,012         | 1,010         | 1,010       | 1,010        | 16,523                 |
| 38,264       | 38,264      | 38,264      | 39,276      | 39,276      | 39,276      | 39,276        | 39,274        | 39,274      | 39,274       | 476,356                |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 5,608                  |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 0                      |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 0                      |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 0                      |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 0                      |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 5,608                  |
| 643          | 643         | 643         | 643         | 643         | 643         | 643           | 643           | 643         | 643          | 7,715                  |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 0                      |
| 0            | 5,000       | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 0            | 5,000                  |
| 417          | 417         | 417         | 417         | 417         | 417         | 417           | 417           | 417         | 413          | 5,000                  |
| 1,000        | 500         | 500         | 500         | 500         | 500         | 0             | 0             | 0           | 0            | 5,000                  |
| 0            | 0           | 0           | 0           | 0           | 0           | 0             | 0             | 0           | 1,500        | 1,500                  |
|              |             | 125,000     |             |             |             |               |               |             |              | 125,000                |
| 2,060        | 6,560       | 126,560     | 1,560       | 1,560       | 1,060       | 1,060         | 1,060         | 1,060       | 2,558        | 149,215                |
| 0            | 12          | 0           | 0           | 13          | 0           | 0             | 13            | 0           | 0            | 63                     |
| 125          | 125         | 125         | 125         | 125         | 125         | 125           | 125           | 125         | 125          | 1,500                  |
| 125          | 137         | 125         | 125         | 138         | 125         | 125           | 138           | 125         | 125          | 1,563                  |
| 288,314      | 267,529     | 399,660     | 426,506     | 194,389     | 179,037     | 207,516       | 428,794       | 267,638     | 287,552      | 3,860,621              |
| 9,167        | 9,167       | 9,167       | 9,167       | 9,167       | 9,167       | 9,167         | 9,167         | 9,167       | 9,163        | 110,000                |
| 2,917        | 2,917       | 2,917       | 2,917       | 2,917       | 2,917       | 2,917         | 2,917         | 2,917       | 2,913        | 35,000                 |
|              |             |             |             |             |             |               |               |             |              | 0                      |
|              |             |             |             |             |             |               |               |             |              | 0                      |
|              |             |             |             |             |             |               |               |             |              | 0                      |
|              |             |             |             |             |             |               |               |             |              | 0                      |
| 7,000        | 0           | 0           | 6,000       | 0           | 0           | 0             | 0             | 7,000       | 0            | 20,000                 |
| 625          | 625         | 625         | 625         | 625         | 625         | 625           | 625           | 625         | 625          | 7,500                  |
| 1,417        | 1,417       | 1,417       | 1,417       | 1,417       | 1,417       | 1,417         | 1,416         | 1,416       | 1,416        | 17,000                 |
| 21,126       | 14,126      | 14,126      | 20,126      | 14,126      | 14,126      | 14,125        | 14,125        | 21,125      | 14,117       | 189,499                |
| 667          | 667         | 667         | 667         | 667         | 667         | 666           | 666           | 666         | 666          | 8,000                  |
| 333          | 333         | 333         | 333         | 333         | 333         | 334           | 334           | 334         | 334          | 4,000                  |
| 6,000        |             |             | 5,200       |             |             |               | 5,200         |             | 5,200        | 21,600                 |
| 1,000        | 1,000       | 1,000       | 1,000       | 1,000       | 1,000       | 1,000         | 1,000         | 1,000       | 1,000        | 12,000                 |
| 2,083        | 2,083       | 2,083       | 2,083       | 2,083       | 2,083       | 2,083         | 2,083         | 2,083       | 2,087        | 25,000                 |
| 2,083        | 2,083       | 2,083       | 2,083       | 2,083       | 2,083       | 2,083         | 2,083         | 2,083       | 2,087        | 25,000                 |
| 5,000        | 5,000       | 5,000       | 5,000       | 5,000       | 5,000       | 5,000         | 5,000         | 5,000       | 5,000        | 60,000                 |
| 2,083        | 2,083       | 2,083       | 2,083       | 2,083       | 2,083       | 2,083         | 2,083         | 2,083       | 2,083        | 20,000                 |
| 19,249       | 13,249      | 13,249      | 18,449      | 13,249      | 13,249      | 13,249        | 18,449        | 13,249      | 18,461       | 180,601                |

BWD CASH FLOW  
18 MONTH PROJECTION

|  | PROJECTED<br>JUNE<br>2011 | ACTUAL<br>JUNE<br>2011 | ACTUAL<br>FYE<br>2011 | BUDGET<br>FY 2012 | JULY<br>2011   | AUGUST<br>2011  |
|--|---------------------------|------------------------|-----------------------|-------------------|----------------|-----------------|
| <b><u>INSURANCE EXPENSE</u></b>  |                           |                        |                       |                   |                |                 |
| ACWA Insurance   | 0                         | 0                      | 0                     | 102,774           | 0              | 0               |
| Workers Comp   | 0                         | 4,868                  | 4,868                 | 20,000            | 0              | 0               |
| <b>TOTAL INSURANCE EXPENSE:</b>  | <b>0</b>                  | <b>4,868</b>           | <b>4,868</b>          | <b>122,774</b>    | <b>0</b>       | <b>0</b>        |
| <b><u>PERSONNEL EXPENSE</u></b>  |                           |                        |                       |                   |                |                 |
| Mileage reimbursement/Auto Allowance                                     | 100                       | 204                    | 204                   | 0                 |                |                 |
| Board Meeting Expense  | 400                       | 2,220                  | 2,220                 | 22,000            | 1,833          | 1,833           |
| Salaries & Wages (gross)   | 76,000                    | 77,468                 | 77,468                | 826,918           | 68,910         | 68,910          |
| Taxes on Payroll   | 2,500                     | 1,414                  | 1,414                 | 32,930            | 2,744          | 2,744           |
| Medical Insurance Benefits   | 19,137                    | 17,472                 | 17,472                | 232,733           | 19,394         | 19,394          |
| Calpers Retirement Benefits  | 16,600                    | 15,045                 | 15,045                | 178,000           | 14,833         | 14,833          |
| Salaries & Wages contra account  |                           |                        |                       | (18,000)          | (1,500)        | (1,500)         |
| <b>TOTAL PERSONNEL EXPENSE:</b>  | <b>114,737</b>            | <b>113,823</b>         | <b>113,823</b>        | <b>1,274,581</b>  | <b>106,215</b> | <b>106,214</b>  |
| <b><u>OFFICE EXPENSE</u></b>   |                           |                        |                       |                   |                |                 |
| Office Equipment Rental  | 800                       | -                      | 0                     | 18,000            | 1,500          | 1,500           |
| Office Supplies  | 1,500                     | 1,262                  | 1,262                 | 20,000            | 1,667          | 1,667           |
| Office Equipment   | 500                       | 346                    | 346                   | 12,000            | 1,000          | 1,000           |
| Office Utilities   | 1,300                     | 1,786                  | 1,786                 | 15,000            | 1,250          | 1,250           |
| Maintenance Agreements   | 0                         | -                      | 0                     | 0                 | 0              | 0               |
| Postage & Freight  | 1,100                     | 2,003                  | 2,003                 | 11,000            | 917            | 917             |
| Taxes on Property  | 0                         | -                      | 0                     | 2,291             | 0              | 0               |
| Answering service  | 200                       | 138                    | 138                   |                   | 0              | 0               |
| Telephone  | 960                       | 299                    | 299                   | 10,700            | 892            | 892             |
| <b>TOTAL OFFICE EXPENSE:</b>   | <b>6,360</b>              | <b>5,834</b>           | <b>5,834</b>          | <b>88,991</b>     | <b>7,225</b>   | <b>7,226</b>    |
| <b><u>UTILITIES EXPENSE</u></b>  |                           |                        |                       |                   |                |                 |
| Pumping-Electricity  | 39,000                    | 47,408                 | 47,408                | 320,000           | 26,667         | 26,667          |
| Cellular Phone   | 750                       | 798                    | 798                   | 10,000            | 833            | 833             |
| <b>TOTAL UTILITIES EXPENSE:</b>  | <b>39,750</b>             | <b>48,207</b>          | <b>48,207</b>         | <b>330,000</b>    | <b>27,500</b>  | <b>27,500</b>   |
| <b><u>OTHER EXPENSE</u></b>  |                           |                        |                       |                   |                |                 |
| Interest-COP 2008/Well 12 Purchase Agreement                             | 0                         | 0                      | 0                     | 194,875           | 70,000         | 0               |
| Bad Debt Collection  |                           | 39                     | 39                    | 4,000             | 333            | 333             |
| June Expenses paid in July   | 103,150                   | 194,870                | 194,870               |                   |                |                 |
| Conferences/Conventions/Training/Seminars                                | 0                         | 346                    | 346                   | 10,500            | 875            | 875             |
| Training   | 200                       | -                      | 0                     | 0                 |                |                 |
| Dues & Subscriptions   | 0                         | 633                    | 633                   | 8,000             | 667            | 667             |
| Regulatory Permit Fees   | 1,000                     | 3,242                  | 3,242                 | 45,000            | 1,000          | 800             |
| Fuel & Oil   | 4,300                     | 3,081                  | 3,081                 | 38,000            | 3,167          | 3,167           |
| Other Expense  | 150                       | -                      | 0                     | 2,500             | 0              | 0               |
| GWM  | 0                         | 274                    | 274                   | 5,000             | 400            | 400             |
| Safety Requirement   | 250                       | -                      | 0                     | 7,500             | 625            | 625             |
| Printing, Publications & Notices   | 400                       | 159                    | 159                   | 5,000             | 417            | 417             |
| Uniforms   | 500                       | 683                    | 683                   | 7,000             | 583            | 583             |
| <b>TOTAL OTHER EXPENSE:</b>  | <b>109,950</b>            | <b>203,328</b>         | <b>203,328</b>        | <b>327,375</b>    | <b>78,067</b>  | <b>7,667</b>    |
| <b>TOTAL EXPENSES PROJECTED FY 2012:</b>                                 | <b>292,736</b>            | <b>416,870</b>         | <b>416,870</b>        | <b>2,518,221</b>  | <b>246,382</b> | <b>175,982</b>  |
| <b>NET CASH FLOW (O&amp;M)</b>   | <b>(37,543)</b>           | <b>(29,227)</b>        | <b>(29,227)</b>       | <b>0</b>          | <b>385,816</b> | <b>105,508</b>  |
| <b><u>NON O &amp; M EXPENSES</u></b>                                     |                           |                        |                       |                   |                |                 |
| USGS Basin study   | 65,750                    |                        | 0                     |                   |                | 65,750          |
| Integrated Regional Water Management Plan                                | 5,000                     | 4,688                  | 4,688                 |                   |                |                 |
| BOR S.E. California Regional Basin Study                                 |                           |                        | 0                     |                   |                |                 |
| Clark Dry Lake   |                           |                        | 0                     |                   |                |                 |
| Viking Ranch Purchase  | 69,000                    |                        | 0                     |                   |                | 69,000          |
| Land Purchase Legal Expenses   | 2,500                     | 3,871                  | 3,871                 |                   |                |                 |
| Sewer Lift Station   | 5,000                     | -                      | 0                     |                   |                |                 |
| Manhole Replacement (included in sewer lift station)                     |                           |                        | 0                     |                   |                |                 |
| District Rate Study  | 3,206                     | 3,206                  | 3,206                 |                   |                |                 |
| Overdraft Plan legal expenses  | 10,000                    |                        | 0                     |                   | 5,000          | 5,000           |
| Water Credit Policy legal expenses                                       | 25,000                    |                        | 0                     |                   | 5,000          | 5,000           |
| ID1-10 150 Hp , rewind motor in year 2, pump & casing cleaning in year 5 |                           |                        | 0                     |                   |                |                 |
| ID4-11 200 Hp, pump & casing cleaning in yr 1 and rewind motor in year 2 |                           |                        | 0                     |                   |                |                 |
| Rams Hill #1 1980 steel needs inside coating, 1.25mg                     |                           |                        | 0                     |                   | 150,000        |                 |
| ID1 Booster station 1, #1 30 hp motor yr 1, pump yr 3                    |                           |                        | 0                     |                   |                |                 |
| Pickup   |                           |                        | 0                     |                   | 20,000         |                 |
| ID4, Reducing Station design and Installation                            |                           |                        | 0                     |                   |                |                 |
| Pipeline, Montezuma Rd   |                           |                        | 0                     |                   |                |                 |
| Pipeline, B.S. Road Weatheravane Dr. to Barel Dr.                        |                           |                        | 0                     |                   | 112,500        |                 |
| Pipeline, B.S. Road Walking H Dr. to Tilting T Dr.                       |                           |                        | 0                     |                   |                |                 |
| Bending Elbow Rd. First half   |                           |                        | 0                     |                   |                |                 |
| <b>TOTAL NON O&amp;M EXPENSES</b>  | <b>185,456</b>            | <b>11,765</b>          | <b>11,765</b>         |                   | <b>292,500</b> | <b>144,750</b>  |
| <b>NET CASH FLOW</b>   | <b>(222,999)</b>          | <b>(40,991)</b>        | <b>(40,991)</b>       |                   | <b>93,316</b>  | <b>(39,242)</b> |
| <b>CASH BEGINNING OF MONTH</b>   | <b>620,580</b>            | <b>620,580</b>         | <b>620,580</b>        |                   | <b>779,356</b> | <b>872,672</b>  |
| <b>CASH PROJECTED AT END OF MONTH</b>                                    | <b>397,581</b>            | <b>579,589</b>         | <b>579,589</b>        |                   | <b>872,672</b> | <b>833,429</b>  |
| <b>ACTUAL CASH AT END OF MONTH</b>                                       |                           | <b>\$ 779,356</b>      | <b>\$ 779,356</b>     |                   |                |                 |

| SEPT<br><u>2011</u> | OCT<br><u>2011</u> | NOV<br><u>2011</u> | DEC<br><u>2011</u> | JAN<br><u>2012</u> | FEB<br><u>2012</u> | MARCH<br><u>2012</u> | APRIL<br><u>2012</u> | MAY<br><u>2012</u> | JUNE<br><u>2012</u> | PROJECTED<br><u>2011-2012</u> |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|--------------------|---------------------|-------------------------------|
| 63,646              | 0                  | 0                  | 0                  | 0                  | 0                  | 10,075               | 29,053               | 0                  | 0                   | 102,774                       |
| 0                   | 5,000              | 0                  | 0                  | 5,000              | 0                  | 0                    | 5,000                | 0                  | 0                   | 15,000                        |
| <b>63,646</b>       | <b>5,000</b>       | <b>0</b>           | <b>0</b>           | <b>5,000</b>       | <b>0</b>           | <b>10,075</b>        | <b>34,053</b>        | <b>0</b>           | <b>0</b>            | <b>117,774</b>                |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
| 1,833               | 1,833              | 1,833              | 1,833              | 1,833              | 1,833              | 1,833                | 1,833                | 1,833              | 1,837               | 22,000                        |
| 68,910              | 68,910             | 68,910             | 68,910             | 68,910             | 68,910             | 68,910               | 68,910               | 68,910             | 68,908              | 826,918                       |
| 2,744               | 2,744              | 2,744              | 2,744              | 2,744              | 2,744              | 2,744                | 2,744                | 2,744              | 2,746               | 32,930                        |
| 19,394              | 19,394             | 19,394             | 19,394             | 19,394             | 19,394             | 19,394               | 19,394               | 19,394             | 19,399              | 232,733                       |
| 14,833              | 14,833             | 14,833             | 14,833             | 14,833             | 14,833             | 14,833               | 14,833               | 14,833             | 14,837              | 178,000                       |
| (1,500)             | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)            | (1,500)              | (1,500)              | (1,500)            | (1,500)             | (18,000)                      |
| <b>106,214</b>      | <b>106,214</b>     | <b>106,214</b>     | <b>106,214</b>     | <b>106,214</b>     | <b>106,214</b>     | <b>106,214</b>       | <b>106,214</b>       | <b>106,214</b>     | <b>106,227</b>      | <b>1,274,582</b>              |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 18,000                        |
| 1,500               | 1,500              | 1,500              | 1,500              | 1,500              | 1,500              | 1,500                | 1,500                | 1,500              | 1,500               | 20,004                        |
| 1,667               | 1,667              | 1,667              | 1,667              | 1,667              | 1,667              | 1,667                | 1,667                | 1,667              | 1,667               | 12,000                        |
| 1,000               | 1,000              | 1,000              | 1,000              | 1,000              | 1,000              | 1,000                | 1,000                | 1,000              | 1,000               | 15,000                        |
| 1,250               | 1,250              | 1,250              | 1,250              | 1,250              | 1,250              | 1,250                | 1,250                | 1,250              | 1,250               | 0                             |
| 913                 | 917                | 917                | 917                | 917                | 917                | 917                  | 917                  | 917                | 917                 | 11,000                        |
| 0                   | 2,291              | 0                  | 0                  | 0                  | 0                  | 0                    | 0                    | 0                  | 0                   | 2,291                         |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
| 892                 | 892                | 892                | 892                | 892                | 892                | 892                  | 892                  | 890                | 890                 | 10,700                        |
| <b>7,222</b>        | <b>9,517</b>       | <b>7,226</b>       | <b>7,226</b>       | <b>7,226</b>       | <b>7,226</b>       | <b>7,226</b>         | <b>7,226</b>         | <b>7,224</b>       | <b>7,224</b>        | <b>88,994</b>                 |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 320,004                       |
| 26,667              | 26,667             | 26,667             | 26,667             | 26,667             | 26,667             | 26,667               | 26,667               | 26,667             | 26,667              | 10,000                        |
| 833                 | 833                | 833                | 833                | 833                | 833                | 833                  | 833                  | 833                | 837                 | 330,004                       |
| <b>27,500</b>       | <b>27,500</b>      | <b>27,500</b>      | <b>27,500</b>      | <b>27,500</b>      | <b>27,500</b>      | <b>27,500</b>        | <b>27,500</b>        | <b>27,500</b>      | <b>27,504</b>       |                               |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 194,875                       |
| 0                   | 62,438             | 0                  | 0                  | 0                  | 0                  | 0                    | 62,438               | 0                  | 0                   | 4,000                         |
| 333                 | 333                | 333                | 333                | 333                | 333                | 334                  | 334                  | 334                | 334                 | 10,500                        |
| 875                 | 875                | 875                | 875                | 875                | 875                | 875                  | 875                  | 875                | 875                 | 0                             |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 8,000                         |
| 667                 | 667                | 667                | 667                | 667                | 667                | 667                  | 667                  | 667                | 663                 | 43,500                        |
| 5,500               | 8,508              | 3,985              | 12,507             | 3,800              | 400                | 1,000                | 5,000                | 200                | 1,000               | 38,000                        |
| 3,167               | 3,167              | 3,167              | 3,167              | 3,167              | 3,167              | 3,167                | 3,167                | 3,167              | 3,163               | 0                             |
| 0                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                    | 0                    | 0                  | 0                   | 5,000                         |
| 400                 | 400                | 500                | 400                | 400                | 500                | 400                  | 400                  | 400                | 400                 | 7,500                         |
| 625                 | 625                | 625                | 625                | 625                | 625                | 625                  | 625                  | 625                | 625                 | 5,004                         |
| 417                 | 417                | 417                | 417                | 417                | 417                | 417                  | 417                  | 417                | 417                 | 7,000                         |
| 583                 | 583                | 583                | 583                | 583                | 583                | 583                  | 583                  | 583                | 587                 | 323,379                       |
| 12,567              | 78,013             | 11,152             | 19,574             | 10,867             | 7,567              | 8,068                | 74,506               | 7,268              | 8,064               |                               |
| <b>257,524</b>      | <b>253,619</b>     | <b>179,467</b>     | <b>199,089</b>     | <b>184,182</b>     | <b>175,882</b>     | <b>186,457</b>       | <b>282,072</b>       | <b>182,580</b>     | <b>181,597</b>      | <b>2,504,833</b>              |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | <b>2,504,833</b>              |
| 30,790              | 13,910             | 220,193            | 227,417            | 10,207             | 3,155              | 21,059               | 146,721              | 85,058             | 105,955             | 1,355,788                     |
|                     |                    | 65,750             |                    |                    |                    |                      |                      |                    |                     | 131,500                       |
|                     | 12,000             |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 12,000                        |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 69,000                        |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
| 5,000               | 5,000              | 5,000              |                    |                    |                    |                      |                      |                    |                     | 0                             |
| 60,000              |                    |                    |                    |                    |                    |                      |                      |                    |                     | 60,000                        |
|                     |                    | 4,000              |                    |                    |                    |                      |                      |                    |                     | 150,000                       |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 4,000                         |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 20,000                        |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 112,500                       |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
|                     |                    |                    |                    |                    |                    |                      |                      |                    |                     | 0                             |
| <b>65,000</b>       | <b>17,000</b>      | <b>74,750</b>      | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>             | <b>0</b>             | <b>0</b>           | <b>0</b>            | <b>594,000</b>                |
| (34,210)            | (3,090)            | 145,443            | 227,417            | 10,207             | 3,155              | 21,059               | 146,721              | 85,058             | 105,955             | 761,788                       |
| 833,429             | 799,220            | 796,130            | 941,572            | 1,168,989          | 1,179,196          | 1,182,351            | 1,203,410            | 1,350,131          | 1,435,189           | 397,591                       |
| <b>799,220</b>      | <b>796,130</b>     | <b>941,572</b>     | <b>1,168,989</b>   | <b>1,179,196</b>   | <b>1,182,351</b>   | <b>1,203,410</b>     | <b>1,350,131</b>     | <b>1,435,189</b>   | <b>1,541,144</b>    | <b>1,159,378</b>              |

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

*By: Jerry Rolwing*

### **BOARD REQUEST**

Over the past month I have met with the Club Circle Golf/Cameron ad hoc committee on July 7th and 19th, the Due Dilligence Committee July 12 and the Strategy Planning Committee July 20.

### **FEDERAL LEVEL**

U.S. Geological Survey: Over the past couple of weeks I have been in contact with Peter Martin on two tasks. Peter would like to have some local input on criteria for different model runs for the final report. These "future water use scenarios" (i.e. 20% more population along with 30% reduction in agricultural usage and 10% golf course usage) will feature different combinations of water to model for future decision making purposes. A Citizens Technical Committee has already met with the USGS and I believe they would be the best group for this input. The second item is the upcoming "depth dependant water quality" sampling. We are working with our pump vendor to get a bid together for pumps to sample monitor well #1 (MW-1) located on Henderson Canyon Rd. and MW-4 located east of the airport runway. The project will sample incoming water at various depths down the hole to determine how the water quality changes.

U.S. Department of Reclamation: Reclamation is in the process of approving the submitted \$1.36M District expenses to be used as our "in-kind" contribution to the basin study project. I have received tentative approval and the signed MOU is supposed to be in the mail.

State and Tribal Assistance Grant (STAG): I have been working with Bill Mills on the scheduled tasks for the grant. At the July 19th Board Workshop/Special Meeting, approval was received to proceed with a proposal by our consulting district engineer, David Dale, to complete the survey and right-of-way research for the pipeline route. I have made contact with CalTrans and the ABD State Park for right-of-way issues and environmental concerns. A report is due to the EPA by July 30.

### **STATE LEVEL**

This month's board Workshop/Special Meeting featured the Integrated Regional Water Management (IRWM) program where we met the new Dept. of Water Resources (DWR) provided facilitator, Dale Schafer and technical consultant, Ali Taghavi. The two participated in the meeting and are in the process of interviewing various local stakeholders. Requests for Quotations (RFQ's) went out to solicit a consultant to write the Planning Grant proposal expected to be released in November 2011. Two groups responded and are being reviewed by staff. The next round of Implementation Grants is expected to be released in the Spring of 2012.

### **COUNTY LEVEL**

We are still waiting on the department of planning and land use (DPLU) to provide a draft of the proposed update to the County Groundwater Ordinance. County staff informed me that the document is presently under review by County Counsel and will come to the District for review prior to being released for the public review period.

## **LOCAL LEVEL**

We received about 1/3 inch of rain on July 7th. I had a visit from Honorary Mayor McNatt concerning emergency procedures for the community and we will work with the County Sheriff's office to get the emergency committee to meet again.

## **DISTRICT LEVEL**

The Montezuma Road pipeline replacement project is now completed. Parts and outside contractor invoices should be slightly under budget from the approved \$45,674.95. Most invoices have been received but we are waiting for final County inspection invoices.

The rain event on July 7th brought along an unwanted friend - Mr. Lightning. The "motor saver" device performed well by saving the motor from a lightning strike on well ID4-4, located on North Borrego Springs Rd. The cost was \$1,039 which is much cheaper than a new motor. The repair was completed in three days.

I met with the new Montezuma greenskeeper, Gary Bley of IRI Golf Group to discuss golf course irrigation issues.

I met with Marie Doria, owner of Santa Fe Palms Mobile Home Park, 330 Palm Canyon Drive. Ms. Doria is changing the rental park into an ownership park and is tentatively set to be on the September 28th agenda.

Attached is an updated Valley water usage report (attachment A). I am working on updating the District water usage reports by customer class (i.e. domestic, irrigation, commercial, multiple units and public agency). This will result in updated acre ft/customer data from FYE 2011.

The Borrego Springs Park CSD (consolidated with BWD in 2008, now ID-5) wastewater package plant was inspected by the California Regional Water Quality Control Board and has issued a "Rescission of Waste Discharge Requirements" (attachment B). This will cut District expenses of operation, permitting and reporting for the plant. With the installation of the new wastewater lift station, all flow from ID-2 and ID-5 are now pumped to the Rams Hill Reclamation Plant.

# FYE 2011 Borrego Valley Water Usage

July 2010 to June 2011, all amounts in acre feet of water pumped, when available

## Agriculture

|   |                   |                  |
|---|-------------------|------------------|
| AAWARE Report dated Dec. 2003                       | 14,150            |                  |
| less Monica, 1/2 Viking following - 110 Ac or 550AF |                   |                  |
|   | <b>Sub-Total</b>  | <b>14,150.00</b> |
|   | <b>Percentage</b> | <b>0.73</b>      |

## Golf Courses

|  |                   |                 |
|--|-------------------|-----------------|
| De Anza CC                               | 959.28            |                 |
| 137.04 irrigated acres @ est. 7.0 AF/Ac. |                   |                 |
| Roadrunner Club                          | 270.00            |                 |
| 45 irrigated acres @ est. 6.0 AF/Ac.     |                   |                 |
| Club Circle Golf                         | 92.19             |                 |
| from BWD FYE 2011 billing records        |                   |                 |
| Rams Hill CC                             | 660.19            |                 |
| from BWD FYE 2011 billing records        |                   |                 |
| (Note: 8 yr. average is 1,095.12)        |                   |                 |
| Borrego Springs CC                       | 882.60            |                 |
| from 2010 report to County               |                   |                 |
| The Springs GC                           | 125.41            |                 |
| from 2010 report to County               |                   |                 |
|  | <b>Sub-Total</b>  | <b>2,989.67</b> |
|  | <b>Percentage</b> | <b>0.15</b>     |

## Municipal

|   |                   |                 |
|---|-------------------|-----------------|
| <i>from BWD FYE 2011 billing records</i>    |                   |                 |
| ID-1, Rams Hill                             | 139.51            |                 |
| ID-3, Deep Well Trail and La Casa del Zorro | 140.31            |                 |
| ID-4, old Borrego Springs Water Co.         | 1381.03           |                 |
| ID-5, old Borrego Springs Park CSD          | 177.28            |                 |
| Irrigation and Landscaping Accounts         | 262.80            |                 |
| Unaccounted for water pumped but not sold   | 206.58            |                 |
| Borrego Air Ranch                           | 10.00             |                 |
| <i>Est. from 1999 report by Lin Burzell</i> |                   |                 |
| Individual Domestic Wells                   | 44.00             |                 |
| <i>Est. from 2000 Aerial Photo</i>          |                   |                 |
|   | <b>Sub-Total</b>  | <b>2,361.51</b> |
|   | <b>Percentage</b> | <b>0.12</b>     |

**ANNUAL WATER PUMPED 19,501.18**



**California Regional Water Quality Control Board  
Colorado River Basin Region**



Linda S. Adams  
Acting Secretary for  
Environmental Protection

73-720 Fred Waring Drive, Suite 100, Palm Desert, California 92260  
(760) 346-7491 • FAX (760) 341-6820  
<http://www.waterboards.ca.gov/coloradoriver>

Edmund G. Brown Jr.  
Governor

July 7, 2011

Jerry Rolwing, General Manager  
Borrego Water District  
P.O. Box 1870  
Borrego Springs, CA 92004

Dear Mr. Rolwing:

**SUBJECT: RESCISSION OF WASTE DISCHARGE REQUIREMENTS FOR  
BORREGO SPRINGS PCSD, BOARD ORDER NO. 96-009.**

Enclosed is a copy of Board Order No. R7-2011-0033. This Order was adopted by the Regional Board on June 23, 2011, at its meeting in La Quinta, California, and rescinds Board Order No. 96-009. Borrego Springs PCSD is no longer authorized to discharge under Board Order No. 96-009.

If you have any questions concerning this matter, please contact Jose Cortez at (760) 776-8963.

Sincerely,

Robert Perdue  
Executive Officer  
Colorado River Basin  
Regional Water Quality Control Board

MR/tab

Enclosure: Board Order No. R7-2011-0033

File: 7A 37 0100 013, Borrego Springs PCSD, Board Order No. 96-009

Attachment B

*California Environmental Protection Agency*

AGENDA PAGE 63

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
COLORADO RIVER BASIN REGION**

ORDER NO. R7-2011-0033

**RESCISSION OF  
WASTE DISCHARGE REQUIREMENTS**

The California Regional Water Quality Control Board, Colorado River Basin Region, finds that:

1. For the reasons stated below, it is desirable to rescind said below-listed Board Order(s).
2. The Board timely forwarded notices by mail to persons responsible for the below-listed Board Order(s) explaining the Board's consideration of rescinding the particular Board Order(s), and requesting comments.
3. The Board, in a public meeting, heard and considered all comments pertaining to the proposed rescission of the below-listed Board Order(s).

IT IS HEREBY ORDERED, the following Board Order(s), containing Waste Discharge Requirements, be rescinded, except for enforcement purposes.

| <u>Order</u> | <u>Name - Location</u>                                     | <u>Date Adopted</u> |
|--------------|--|---------------------|
| 01-012       | California Redi-Date LLC<br>Indio - Riverside County       | June 27, 2001       |
| 96-009       | Borrego Springs PCSD<br>Borrego Springs - San Diego County | January 24, 1996    |

I, Robert Perdue, Executive Officer, do hereby certify the foregoing is a full, true and correct copy of a Board Order adopted by the California Regional Water Quality Control Board, Colorado River Basin Region, on June 23, 2011.

  
ROBERT PERDUE  
Executive Officer

July 19, 2011

George Raftelis, President & CEO  
RAFTELIS FINANCIAL CONSULTANTS, INC.  
1031 S. Caldwell Street, Ste. 100  
Charlotte, NC 28203

RE: 2011 Borrego Water District Rate Study and California Proposition 218 Support

Dear Mr. Raftelis,

Please know that the Board and staff of the Borrego Water District is most appreciative of the extraordinary efforts the RFC consultants have provided to assist the District. The Board and staff would like to offer to recommend the services of RFC as may be useful from time to time should a reference for the quality and timeliness of your work be requested.

We are a new Board, elected last year. It wasn't until after we were in office for a couple of months with access to the internal workings of the District that we realized just how difficult a financial situation we faced. We were dismayed to learn that most of the \$6.5M cash reserves had been spent and the financial condition of the District was so tenuous, that we couldn't borrow money from the public markets or even secure a line of credit at a bank to cover emergency expenses. In addition, we found spending in FY2011 was estimated to exceed income by more than \$400,000 and it appeared we would exhaust all cash sometime this fall. We had no choice but to act, act quickly and act decisively to restore the District's financial stability. One of the best decisions we made was to retain RFC in March 2011 to assist the Board and District.

Sanjay Gaur from RFC's Pasadena office was our primary contact. In one month during April, Sanjay helped develop a financial model and proposed rates to restore the District to financial stability and creditworthiness. The Proposition 218 notice was published May 6<sup>th</sup> and at the June 22<sup>nd</sup> Public Hearing the Board passed a resolution adopting the proposed rates with minor opposition from ratepayers even though the first year rate increase was thirty percent. We believe that the acceptance of these proposed rates by the community was due in part to the analytical work that went into the rate study and the professionalism and clear presentation of the reasons for the rate increase by RFC's staff.

Sincerely,

Beth Hart, President

Jerry Rolwing, General Manager

Lyle Brecht, Vice President

cc. Sudhir Pardiwala, Sanjay Gaur  
RAFTELIS FINANCIAL CONSULTANTS, INC.  
201 LAKE AVENUE STE. 301  
PASADENA, CA 91101

**REQUEST FOR QUOTATION (RFQ) FOR ASSISTANCE IN DEVELOPING A  
PLANNING GRANTS APPLICATION PROPOSAL TO DWR-IRWM  
FOR THE BORREGO WATER DISTRICT (BWD)**

**Request for Quotation (RFQ):** Integrated Regional Water Management (IRWM) is a collaborative effort to manage all aspects of water resources within a region in California. IRWM crosses jurisdictional, watershed, and political boundaries; involves multiple agencies, stakeholders, individuals, and groups; and attempts to address the issues and differing perspectives of all the entities involved through mutually beneficial solutions. The California Department of Water Resources (DWR) has a number of IRWM grant program funding opportunities. The purpose of this RFQ is to identify technical consultants who are qualified to provide assistance in developing a successful planning grants application proposal in time for the second round DWR-IRWM grants process for the fall of 2011. Additional information regarding DWR's process may be found at <http://www.water.ca.gov/irwm/index.cfm>.

**Background:** The Borrego Water District (BWD) is a small public water and wastewater district serving approximately 2,200 customers in beautiful Borrego Springs, California, a retirement and resort community located about 70 miles NE of San Diego and surrounded by the Anza-Borrego Desert State Park.

In December 2009, DWR recognized the Anza Borrego Desert Integrated Regional Management (ABD-IRWM) planning region. A map of the region is at [http://www.borregowd.org/uploads/ABDIRWMP\\_Area\\_Map.pdf](http://www.borregowd.org/uploads/ABDIRWMP_Area_Map.pdf). The Anza Borrego Desert State Park comprises about 70% of the area of the planning region. The Anza Borrego Desert Integrated Regional Water Management Group (IRWVG) was formed by three public agencies, two with water authority, consisting of BWD, the Resource Conservation District of Greater San Diego County and San Diego County. The draft ABD-IRWMP is available at [http://www.borregowd.org/uploads/IRWMP\\_Work\\_Plan.pdf](http://www.borregowd.org/uploads/IRWMP_Work_Plan.pdf) and additional material related to the ABD-IRWM planning process is available at: [http://www.borregowd.org/Page\\_2.php](http://www.borregowd.org/Page_2.php).

In December 2010, the DWR did not select the \$500,000 IRWM planning grant proposal submitted by the ABD region for the first round of planning grants. This planning grant application is available at [http://www.borregowd.org/uploads/ABD\\_IRWM\\_Planning\\_Grant\\_Application\\_9\\_28\\_10.pdf](http://www.borregowd.org/uploads/ABD_IRWM_Planning_Grant_Application_9_28_10.pdf). However, opportunity still exists to submit a second round grant proposal for the fall of 2011. This is a link to to Borrego's Planning Grant-

REQUEST FOR QUOTATION (RFQ) FOR ASSISTANCE IN DEVELOPING A  
PLANNING GRANTS APPLICATION PROPOSAL TO DWR-IRWM  
FOR THE BORREGO WATER DISTRICT (BWD)

Round 1 evaluation: [http://www.water.ca.gov/irwm/docs/Archives/Prop84/Awards/DraftPlanningRecommendations/CR\\_Borrego.pdf](http://www.water.ca.gov/irwm/docs/Archives/Prop84/Awards/DraftPlanningRecommendations/CR_Borrego.pdf).

A complicating factor in this process is that the BWD Board-approved 2009 Integrated Water Resource Management Plan (IWRMP; [http://www.borregowd.org/uploads/IWRMP\\_Final\\_3.2009.pdf](http://www.borregowd.org/uploads/IWRMP_Final_3.2009.pdf)) and Board-approved 2002 Groundwater Management Plan (GMP; [http://www.borregowd.org/uploads/Groundwater\\_Management\\_Plan\\_Sept.\\_25\\_2002\\_reduced.pdf](http://www.borregowd.org/uploads/Groundwater_Management_Plan_Sept._25_2002_reduced.pdf)) are incompatible. The 2002 GMP asserts that "*obtaining water from state projects and transporting it to the Borrego Valley [is] prohibitively expensive and much more expensive than following agricultural lands*" whereas the 2009 IWRMP begins with the premise that importation is the *only* solution for the Borrego Valley Groundwater Basin overdraft situation.

However, in neither case is an adequate economic argument made to justify this assertion or premise. As well, both 2002 GMP and 2009 IWRMP plans are incomplete relative to specific implementation steps, timelines for plan implementation deliverables, estimated budget needed for completion, or financing options to fund the plans. In other words, the economic rationale and analysis for both plans is lacking. Additionally, it appears that the 2009 IWRMP and draft ABD-IRWMP assume that importation can proceed successfully without first, or concurrently, establishing a managed basin. BWD has engaged the United States Geological Survey (USGS) to model the basin ([http://www.borregowd.org/uploads/borrego\\_110330\\_USGS\\_by\\_Martin\\_and\\_Faunt.pdf](http://www.borregowd.org/uploads/borrego_110330_USGS_by_Martin_and_Faunt.pdf)) and is participating with the U.S. Bureau of Reclamation (Reclamation) in its Southeast California Basin Study. The final USGS report is expected to be available by the first quarter 2012. The results of the Reclamation study should be available by December 2012.

**Planning Objective:** To develop a successful ABD-IRWM planning grants proposal that incorporates an updated and comprehensive managed basin implementation plan for BWD's GMP, aligns the GMP and IWRMP and ABD-IRWMP plans' objectives to be supportive of one another as required under DWR's IRWM planning guidelines, and produces an ABD-IRWMP that is capable of attracting future DWR implementation grant funding. One example of a successful implementation grants proposal for a nearby

**REQUEST FOR QUOTATION (RFQ) FOR ASSISTANCE IN DEVELOPING A  
PLANNING GRANTS APPLICATION PROPOSAL TO DWR-IRWM  
FOR THE BORREGO WATER DISTRICT (BWD)**

region is at [http://www.cvrwmg.org/docs/2011\\_01\\_07\\_CVRWVG-ImplementationGrantProposal\\_170137.pdf](http://www.cvrwmg.org/docs/2011_01_07_CVRWVG-ImplementationGrantProposal_170137.pdf).

**RFQ Response:** Please respond with: a proposal for providing assistance in developing a successful DWR-IRWM planning grants proposal.

Your response to this RFQ, at a minimum, shall address:

- (a) a brief analysis of the planning assumptions for aligning the GMP, IWRMP and ABD-IRWM planning objectives;
- (b) the level and type of effort proposed to meet DWR-IRWM planning grant proposal requirements and attendant costs;
- (c) identification of your prior experience with DWR-IRWM types of grants as well as familiarity with current IRWMP requirements; and
- (d) your firm's willingness and capability to provide further technical assistance in developing the GMP and ABD-IRWMP, should the DWR planning grant be awarded.

**RFQ Due Date:** Your response is due by 2:00 PM Pacific Time, Monday, July 18, 2011 by email to [diana@borregowd.org](mailto:diana@borregowd.org).

**Selection Process:** The BWD's Strategic Planning Committee has been tasked with overseeing the identification and recommendation to the Board of a technical consultant. Any questions should be addressed to Director Lyle Brecht at 410.963.8680 (cell) or [LBrecht@gmail.com](mailto:LBrecht@gmail.com).

PROPOSAL

# consulting engineers and scientists



**Assistance in  
Developing a  
DWR-IRWM Planning  
Grant Application  
for the  
Borrego Water District  
JULY 2011**



**SUBMITTED BY**

10860 Gold Center Drive, Suite 350  
Rancho Cordova, CA 95670  
T: 916.631.4500  
F: 916.631.4501

[www.geiconsultants.com](http://www.geiconsultants.com)



July 14, 2011

Mr. Lyle Brecht, Director  
Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, CA 92004-3101  
transmitted via e-mail: LBrecht@gmail.com

Geotechnical  
Environmental  
Water Resources  
Ecological

**Subject: GEI Qualifications and Level of Effort for Borrego Valley IRWM Plan Assistance**

Director Lyle Brecht:

GEI Consultants, Inc. is pleased to present its qualifications and level-of-effort estimate to assist the Anza-Borrego Desert Regional Water Management Group with planning and implementation of its Integrated Regional Water Management Plan (IRWMP). The initial work effort will focus on developing a Proposition 84 IRWM Planning Grant application to help fund subsequent planning and implementation phases. The next Department of Water Resource (DWR) solicitation for IRWM Planning Grant funding is expected in late Fall 2011.

The DWR IRWM program is a comprehensive water management framework that incentivizes good planning. The benefits of a successful IRWM process will continue well after the grant funds are exhausted.

**Qualifications**

GEI has developed nine adopted IRWM Plans, including the plan for Mojave Water Agency. GEI is currently developing the IRWM Plan for Imperial Irrigation District. GEI has worked closely with the Coachella Valley Water District, Imperial Irrigation District, and Metropolitan Water District in investigating water supplies and storage opportunities.

Our full-service water resources practice helps our clients plan and design programs and projects to a level of detail that allows thoughtful comparison and successful pursuit of competitive grant funding opportunities. We have helped our clients acquire more than \$168 million in grant funding, including \$33 million in Proposition 50 and Proposition 84 IRWM funding for Mojave Water Agency.

Detailed project descriptions and resumes demonstrating our qualifications are included in this submittal.

## PROJECT UNDERSTANDING

We have reviewed publicly available documents, including among others:

- 2002 Groundwater Management Plan
- 2009 Integrated Water Resources Management Plan
- 2009 Regional Acceptance Process Application
- 2010 IRWM Planning Grant Application and Work Plan

Though similar in title, the Integrated Water Resources Management Plan does not appear to meet the DWR requirements of an Integrated Regional Water Management Plan (IRWMP). We are aware that the Anza-Borrego Desert Regional Water Management Group (RWMG) has been approved as the responsible IRWM entity through the DWR Region Acceptance Process (RAP), and that the group applied for (but was not successful in securing) a Proposition 84 Planning Grant in the first round. Improving this application for the second round of funding will be the initial focus of our efforts.

The Borrego Valley has a significant groundwater overdraft, with extractions several times the rate of replenishment. The groundwater basin is not adjudicated, and voluntary incentive programs have been initiated to reduce some demand. Water importation projects have been evaluated at a conceptual level. The U.S. Geological Survey is completing a computer model of the basin.

Estimates of water supply and demand differ among the documents we have reviewed, but it is clear that consumptive water use substantially exceeds natural replenishment. Proportional reduction in demand (a potential outcome of adjudication) would require decreasing water use approximately 80 percent to stabilize the basin. Since the largest water use sector (agriculture) accounts for about 70 percent of total demand, even elimination of agricultural uses would not balance the basin. Combined municipal and recreational use exceeds the basin's natural supply and is expected to grow. Land use controls, demand management, and development offset programs have the potential to slow the rate of, but are not likely to eliminate, groundwater overdraft.

The Borrego Valley is completely surrounded by the Anza-Borrego Desert State Park, and as a consequence is not proximate to regional water supply facilities that might convey water to the Borrego Valley from the Colorado River or Northern California. While the conceptual analyses we have reviewed identify potential conveyance facilities, they have not

### California IRWMPs Involving GEI Staff

- Mojave Water Agency IRWMP
- Eastern San Joaquin IRWMP
- Gateway Authority IRWMP
- Imperial IRWMP
- Poso Creek IRWMP
- Sacramento Valley IRWMP
- Upper Kings Basin Water Forum IRWMP
- Upper San Gabriel IRWMP
- Upper Santa Ana River Watershed IRWMP
- Yuba County IRWMP

identified surplus supplies available for import, nor estimated acquisition cost. Closer sources have been identified but generally have low capacity and poor water quality. Conceptual design of import facilities show high costs—likely unaffordable for agricultural uses and challenging to finance given the current municipal rate base.

A water banking program could subsidize facility cost or help replenish the groundwater basin, but distance and elevation differences from supplies remain obstacles. Control of overdraft would likely be a pre-condition for other groundwater banking participants.

It appears there has been significant progress in developing a public outreach program and decision-making structure—a Steering/Policy Committee, Technical Committee, and Public Education/Outreach and Stakeholder groups have been identified and are working together. Each key water use sector is represented and progress is being made in identifying and prioritizing projects. A clear distinction between stakeholders (who must abide by and pay for their commitments) and participants (who reflect community values and elect representatives) must be established and maintained. Maintaining the focus of these groups on short- and intermediate-term goals will increase cooperation toward developing long-term solutions.



## PROPOSAL

GEI proposes to assist Borrego Water District and the Regional Water Management Group in several ways:

- Reconfigure and align objectives and goals, project characterization, and implementation steps
- Prepare a complete competitive Proposition 84 IRWM Planning Grant application
- Identify additional sources of potential funding
- Initiate discussions with nearby IRWM regions

GEI has successfully secured several million dollars in planning funds from a variety of sources, most recently from the Proposition 84 IRWM Planning and Implementation Grant programs. Although IRWM Planning Grant applications are complicated and competitive we have demonstrated success in securing funding for clients. If successful, GEI would also like to offer our services for the following:

- Preparing the IRWM Plan, including project development and outreach
- Securing Implementation Grant funding

These items are presented below as Base Tasks associated with the Planning Grant application, and Optional Tasks we would like to perform as part of ongoing IRWMP planning and implementation.

## Base Tasks

1. **Develop and submit a Proposition 84 Planning Grant application.** We will work with the existing team (as available) and DWR, identify where the previous application fell short, and work to improve and position the application for success in the second round of IRWM Planning Grants expected in late Fall 2011. We have an excellent working relationship with DWR, and our proximity to Sacramento increases our visibility and effectiveness. Securing planning grant funds is a critical step to making subsequent tasks affordable. We will develop or update all application materials, provide drafts for RWMP review, and produce and submit all electronic and hard copy application materials.
2. **Reconfirm and realign the Objective and Goal statements.** The Groundwater Management Plan, Integrated Water Resources Management Plan, and draft IRWM Plan were developed at different times and for different purposes. We believe the common purpose of these planning documents is to ensure the reliability and sustainability of the region's water supply. However, this is stated in a variety of ways; sometimes with individual projects stated as goals, and without inclusion of feasibility, financial, environmental, or public acceptance metrics. Within 30 days of notice to proceed, we will propose a realigned Statement of Fundamental Objectives for discussion and review by the Steering/Policy Committee. The Fundamental Objectives will be melded into a tiered framework incorporating the Problem

## Value of GEI Experience

- All plans GEI has been associated with have been successfully completed and adopted
- All plans required participation of large groups of stakeholders
- All plans have satisfied California Department of Water Resources IRWMP requirements



Statement >> Purpose Statement >> Fundamental Objectives >> Community Values >> Evaluation Criteria >> Prioritization Criteria in as much detail as possible. We have successfully used this tiered framework on other IRWM Plans to clearly convey project constraints, decisions, and consequences to stakeholders, decision makers, and funding agencies.

3. **Describe projects and management actions on a common basis.**

For each identified project (e.g., Coachella import pipeline) and management action (e.g., water use mitigation offset policy) we will describe comparable factors such as governance, development status, cost, revenue requirements, water supply or saving, identified environmental factors, implementability constraints and uncertainties, data requirements to reduce uncertainties, and realistic estimates of implementation timelines. This effort will focus on enhancing the description of how the projects meet Program Preferences and Statewide Priorities as required in the application. To the extent possible, we will align the cost estimates using common assumptions on materials cost (dollars per foot of pipeline or pump horsepower), updated to 2011 (or other) cost level, and interest rate.



4. **Develop consistent, realistic implementation steps.** We will describe consistent, specific implementation steps for data gathering, project development, governance, water right acquisitions, engineering, environmental documentation, financing and cost apportionment, and construction. This will help define and prioritize the work effort.



5. **We will also identify other sources of funding for your projects.** For example, we have successfully secured U.S. Bureau of Reclamation WaterSMART funding for our client's project planning and implementation programs. Such federal funds can be used as part of the local cost share for the DWR grant programs.

6. **We will explore inter-regional discussions with the Coachella and/or Imperial IRWM Regions.** It is our understanding that several long-term Borrego alternatives involve water transfers from or through these entities' regions. Such transfers require years of negotiation and planning. A special pool of untapped DWR grant funds has been reserved for inter-regional planning to facilitate such broad-scale solutions.

The product of the Base Tasks will be a complete, stand-alone, RWMG-reviewed and supported Proposition 84 Planning Grant application. This will include all hard copy and electronic submittals of all required elements including applicant information, project description, authorizing documentation, eligible applicant documentation, and an integrated work plan, budget, and schedule.

## Optional Tasks

We are interested in providing a full suite of IRWM planning and implementation services. If the Planning Grant application is successful, we would be interested in providing the following additional services:

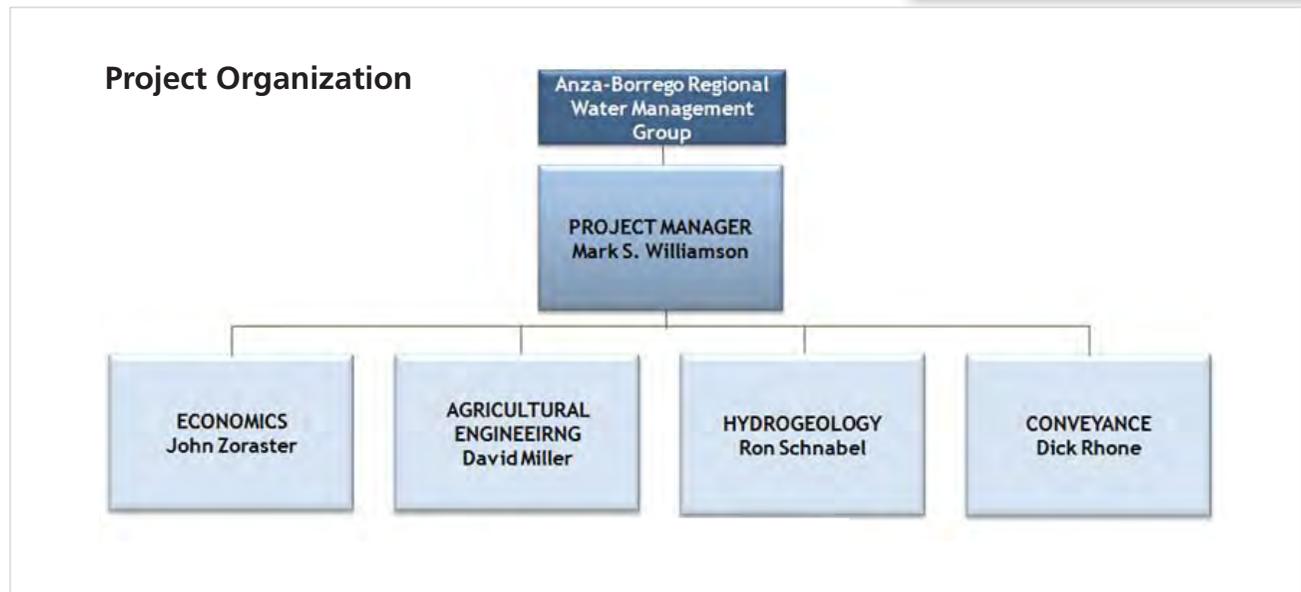
7. **Preparation or assistance in developing the IRWM Plan.** We have the experience and expertise for all studies and services required, including demographic analysis, water supply modeling, engineering design, economic and financial analysis, climate change analysis, flood control, water rights and water transfers, public outreach and communication, and group facilitation. We successfully completed the Mojave IRWM Plan, secured \$33 million in grant funding, and facilitated a water transfer to meet their long-term needs. We are currently leading development of the Imperial IRWM Plan and designing water distribution and groundwater recharge projects for the Coachella Valley Water District. We have an excellent working relationship with the San Diego County Water Authority, leading design on significant large-scale dam and pipeline projects.
8. **Project development.** GEI staff are skilled at advancing a project concept to a preliminary design stage that accurately describes the costs, permits, and potential environmental impacts to the level that secures funding through the DWR IRWM Implementation Grant program. In securing Implementation Grant funding for the Mojave Water Agency, we helped project proponents sharpen their engineering analysis for a wastewater treatment plant, a groundwater recharge pond, and conservation incentive program.
9. **Securing implementation funding.** As noted above, we have secured Implementation Grant funding for a variety of programs. These DWR applications are complex, with the average application costing around \$120,000. The three-project Mojave application was less than \$100,000. The San Diego County Water

## What GEI Offers

- Thorough understanding of DWR requirements
- Success in assisting agricultural and urban entities prepare sustainable IRWMPs
- Proven ability to bring diverse stakeholders together to form a unified whole
- Proven ability to secure IRWMP grant funding
- Historical and current knowledge of California's water resources
- Expertise in facilitating agreement on regional priorities

Authority reportedly spent \$220,000 for a successful 11-project Implementation Grant application (not a GEI effort).

10. **All of the above.** We would like to establish a long-term relationship with the Anza-Borrego Desert Region. Providing a full suite of services provides better value and better quality results for the region. In addition to our Sacramento office, we have staff based in Carlsbad, Glendale, Bakersfield, and other locations to meet your needs.



We propose to provide the base tasks on a time-and-materials basis for a not-to-exceed fee of \$45,000. This represents a 225-hour effort with no more than \$1,500 in direct expenses (mostly travel). We have not developed an estimate of the Optional Tasks at this time, as this will depend on the number of projects and a to-be-determined scope of services. The cost estimate includes two meetings with the Policy/Steering and/or Technical Committees.

As the Project Manager and lead investigator for this effort, please contact me at 916-631-4559 if I can provide additional information.

For your consideration,  
**GEI CONSULTANTS, INC.**

Mark S. Williamson, P.E., Vice President

## FIRM OVERVIEW

GEI Consultants, Inc., an Engineering News Record Top 500 engineering firm, was established in 1970. GEI focuses on geotechnical engineering, water resources planning and engineering, environmental engineering, and ecological sciences. In 2003, GEI acquired Bookman-Edmonston, a water resources engineering firm renowned for helping solve California's water needs since 1959. Today, GEI employs about 425 people in 20 offices nationwide, including offices located in Rancho Cordova, Oakland, Carlsbad, Glendale, and Bakersfield.

*GEI has a track record of success with grant programs for groundwater and conjunctive use, water use efficiency, and IRWM Plans— and has obtained more than \$168 million in grant funds for our clients.*

GEI has a vibrant water resources practice in the western United States, providing municipal, state, and federal agencies with a full array of services. Our services include developing integrated regional water plans and water management strategies, planning and designing major flood control infrastructure, dam and levee safety evaluation and rehabilitation, water supply infrastructure, formulation of multi-purpose projects, feasibility studies, groundwater management, hydrologic and hydraulic studies, storage and conveyance system configurations, decision support systems, and more. In-depth design and construction experience includes pipelines, canals, dams and diversion works, pumping plants, power systems, wells, recharge basins, and other water resources management facilities.

Developing a comprehensive and coordinated Integrated Regional Water Management Plan involves the cooperation of many parties. GEI is a trusted facilitator, knowledgeable in local and state laws and highly experienced in navigating the institutional framework for managing water resources in California. We are expert at bringing together multiple parties with divergent objectives to form a unified whole — a critical foundational component to the development of a sustainable IRWMP.

GEI has completed 9 IRWMPs, 16 water use efficiency projects, 3 major conjunctive use programs, and 6 groundwater management plans. Cumulatively, 86 percent of our grant applications have been funded. GEI is known by DWR and clients for competing and winning grant awards and then successfully delivering the projects. We have a track record of success with proposition-funded programs for groundwater and conjunctive use, water use efficiency, and IRWM Plans, and have obtained



more than \$168 million in grant funds for our clients. Most recently, we assisted four clients in successfully acquiring Proposition 84 grants totaling more than \$19 million.

## KEY TEAM BIOGRAPHIES

(Full resumes follow in the Appendix)

### Mark S. Williamson, PE, PMP

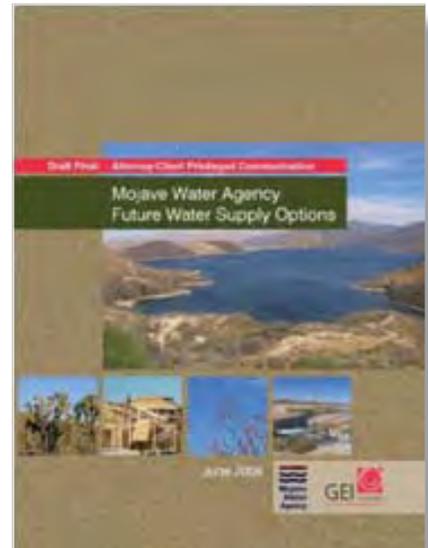
*Project Manager*

Mr. Williamson is a registered civil engineer with 30 years of experience in both the public and private sectors. He has provided civil engineering expertise in numerous aspects of water resources, including hydroelectric, water supply, design, construction management, water distribution system modeling, dam safety, surface and groundwater hydrology, flood control, and project management. His entire career has been devoted to resolving disputes and developing solutions for California water supply agencies.

Mr. Williamson has degrees in Civil Engineering with a Water Resources emphasis from U.C. Berkeley and the University of Washington, and has studied water and environmental law. He is an expert analyst and skilled communicator. Mr. Williamson led the development of an Integrated Regional Water Management Plan for the Northeastern San Joaquin County Groundwater Banking Authority, and is the project manager for the implementation study and design.

Mr. Williamson has had long-term assignments developing cooperative regional partnerships in the San Joaquin Valley and Mojave River Basin as the lead for the Integrated Regional Water Management Plans for these areas. Mr. Williamson was the principal author of the Mojave Water Agency's IRWMP and its Future Water Supply Study, a comprehensive analysis of supplemental supply options that included an in-depth analysis of the California Aqueduct conveyance capacity under a changing regulatory climate. This study led to a permanent transfer of 14,000 acre-feet per year.

Mr. Williamson has a broad view of statewide water resource issues, including analysis and facilitation of water supply from the State Water Project and the Central Valley Project. He modeled the State Water Project, the Central Valley Project, large regional groundwater basins in the Central Valley and high desert, and the Pacific Gas & Electric hydroelectric system. He has also studied, modeled, and effected improvements to San



Mr. Williamson has had long-term assignments developing cooperative regional partnerships in the San Joaquin Valley and Mojave River Basin as the lead for the Integrated Water Management Plans for these areas. Mr. Williamson was the principal author of the Mojave Water Agency's IRWMP and its Future Water Supply Study, a comprehensive analysis of supplemental supply options. This study led to a permanent transfer of 14,000 acre-feet per year.

Francisco's Hetch Hetchy and the East Bay Municipal Utility District's conveyance systems. He has been a negotiator in numerous multi-party agreements including the EBMUD-Sacramento County agreement on use of the American River. This agreement led to the Freeport Regional Water Project, which completed construction in 2011. Mr. Williamson has helped secure more than \$70 million in grant funding for his clients.

### **John Zoraster, PE**

Mr. Zoraster holds degrees in both economics and engineering and has more than 30 years of professional experience in water resources planning and public works, including planning and implementation of capital improvement programs, conjunctive use projects, municipal water supply, wastewater collection, recycled water, and flood control. He has participated in water resources planning efforts for federal agencies, irrigation districts, cities, municipal water districts, water storage districts, and non-profit corporations. He has extensive experience with the transportation facilities of the State Water Project including contractual issues, available capacity, and proposed extensions.

Within the Coachella Valley, he has participated in investigations of flood control, golf course irrigation, farm irrigation, recycled water, conjunctive use, and imported water supply projects. He has been responsible for the preparation of planning reports for the project and assisted with the management of pipeline and pump station design. He also completed a study of the feasibility of extending the State Water Project by 90 miles to increase conveyance to five State Water Project contractors.

He has developed economic and financial analysis of proposed conveyance projects and capital improvement programs for municipalities and non-profit corporations. He has also prepared rate studies and grant applications.

### **Dick Rhone, PE**

Mr. Rhone has more than 50 years of experience in all aspects of water resources development, engineering, management, and operations, including planning studies related to surface and groundwater resources management, hydrologic studies, watermaster services, water demand estimates, preliminary designs, preparation of bid documents, and cost estimates.



*Mr. Zoraster has been a key participant in a 50,000 acre-foot conjunctive use project in the Coachella Valley since its inception in 1999.*

*Mr. Rhone has provided expert testimony before the California State Water Resources Control Board, California Superior Court, and federal court on such matters as water rights, water supply, and water resource development.*

Mr. Rhone also specializes in water rights and water system appraisals, managing and conducting operational studies of conjunctive use projects, and evaluating projects related to the California State Water Project and the Colorado River.

Since 1960, he has represented water contractors in numerous matters related to the California State Water Project including contract issues, cost allocations, and annual budgets. Representative projects include the Semitropic Water Storage District's Groundwater Banking Program where he finalized contracts for storage of one million acre-feet, coordinated facility planning, design and construction supervision; the Central and West Basin—Los Angeles County, Water Replenishment District of Southern California project to develop one of the largest conjunctive use programs in Southern California to recharge and bank water imported from the Metropolitan Water District of Southern California, and reclaimed water from the County of Los Angeles.



### **Michael Cornelius, PG**

Mr. Cornelius is a professional geologist and civil engineer with 22 years of water resources consulting experience in California. His experience includes managing water resources planning and management projects, and groundwater investigations and modeling for local and regional projects. This includes managing water management projects such as Integrated Regional Water Management Plans and groundwater management plans as well as completing technical analysis required to support these projects. He has also prepared and managed water supply feasibility studies and hydrogeologic investigations that include the development of groundwater monitoring programs and groundwater modeling. He was the project manager responsible for multiple grant applications for the Local Groundwater Management Assistance Grant Program (AB303), Proposition 50, Chapter 8 Integrated Regional Water Management Planning Grant, Proposition 50, Chapter 8 Integrated Regional Water Management Step 1 Implementation Grant, and Water Use Efficiency Grants. Mr. Cornelius is currently managing the Yuba County IRWMP to meet the requirements of the Integrated Regional Water Management Planning Act of 2002 (SB 1672). He also managed the groundwater analysis of the American River Basin Cooperating Agencies Regional Water Master Plan and the Paso Robles Basin Groundwater Management Plan.



*Mr. Cornelius has applied his background in hydrogeology and civil engineering to water resources planning studies and groundwater investigations for projects throughout California.*

### **David Miller, Ph.D.**

Dr. Miller has 30 years of water resource engineering experience. He has worked throughout the United States and overseas with the past twelve years of his career focusing on California water resource and agricultural water supply and conservation programs. Dr. Miller also coordinated and participated in managing the Northern California Integrated Regional Water Management Plan developed by the Northern California Water Association. Dr. Miller participated in preparation of three successful planning grants under the DWR Integrated Regional Water Management Grant Program. Dr. Miller provided input to the application submitted by the Northern California Water Agency for planning activities throughout the Sacramento Basin; and completed and submitted an application on behalf of the Upper Santa Ana Water Resources Association, a consortium of eight agencies in the Upper Santa Ana River Basin. In addition, Dr. Miller contributed to and completed the application submitted by a consortium of agencies in Kern County led by the Semitropic Water Storage District.



*Dr. Miller has worked with both urban and agricultural districts in preparing successful grant applications for funding from a range of state and federal sources.*

### **Ronald A. Schnabel, PG, CHG**

Mr. Schnabel has more than 25 years of experience in geology and eight years of experience in hydrogeology. He has a thorough understanding of geology and hydrogeology and extensive knowledge and experience in GIS, statistics, surface water measurement methods, geophysics, and geologic computer modeling. Mr. Schnabel's experience includes surface water and groundwater related investigations, reservoir seepage and dam safety investigations, artificial recharge projects for aquifer storage and recovery, and well design, construction, and testing. This experience includes investigation required engineering and hydrogeology studies on many different groundwater storage alternatives for the Mojave Water Agency and Metropolitan Water District.

*Mr. Schnabel's regulatory experience includes environmental permitting, plans of operation, CEQA, and compliance.*

## RELEVANT PROJECT EXPERIENCE

### Successful Grant Writing

Successful grant writing is an important and fundamental part of GEI's core business to support our clients in California; for without grant funding, it is often difficult for water districts to improve their facilities and operations. Fully 86 percent of the applications we have authored have been funded, including several recent, successful Proposition 84 planning grants. GEI, as demonstrated in our qualifications package, is known by the California Department of Water Resources (DWR) and clients for competing and winning grant awards and then delivering the projects. We have a track record of success with proposition-funded programs for groundwater and conjunctive use, water use efficiency and IRWMPs, and have obtained more than \$168 million in grant funds for our clients. The table on the following three pages presents our experience helping clients with grant applications.

### Specialized Experience in Developing Water Management Plans

GEI has completed nine IRWMPs, 16 water use efficiency projects, three major conjunctive use programs, and six groundwater management plans. Our proven individual and corporate capabilities have been developed and tested on multiple integrated water resource planning projects. Our experience will help the Borrego Water District to deliver a plan that sets the stage for successful implementation.

IRWMPs need to identify multiple funding sources and develop individual project financing strategies that consider local, state, and federal sources. The GEI team is familiar with local government and special district funding processes and with state and federal funding sources. With current fiscal constraints, creativity is also required to access a range of local, state, federal, and private financing. We use the IRWMP process to identify stakeholder needs, document funding sources, and match projects to appropriate funding. By necessity, we have become expert in identifying the critical steps to acquire funds. For example, many projects, which are not ready for construction, may need additional feasibility, planning, or engineering design support. We connect the need to funding, whether it is Proposition 84, 50, AB 303, State Revolving Loan funds through DHS and SWRCB, or federal funding; such as Rural Water Assistance Grants or Reclamation's WaterSmart Challenge Grant Program.



Grant Application Success

| CLIENT  | PROJECT NAME   | PROGRAM NAME<br>(e.g., Proposition 1.3, AB 303)                                   | YEAR OF AWARD | AWARD AMOUNT | GEI STAFF  | Reviewed/Wrote |   |
|---|--|---|---------------|--------------|--|----------------|---|
|   |  |   |               |              |  | R              | W |
| <b>Integrated Regional Water Management Plans</b>             |  |   |               |              |  |                |   |
| Yuba County Water Agency                                      | Yuba County Integrated Regional Water Management Plan  | Prop 50 - IRWMP Planning  | 2005          | \$499,640    | Naser Bateni<br>Michael Cornelius<br>Matt Zidar          |                | ✓ |
| Upper Kings Water Forum, Kings River Conservation District    | Upper Kings Integrated Regional Water Management Plan  | Prop 50 - IRWMP Planning  | 2005          | \$498,560    |  |                | ✓ |
| Northeastern San Joaquin County Groundwater Banking Authority | Eastern San Joaquin Integrated Regional Water Management Plan  | Prop 50 - IRWMP Planning  | 2005          | \$250,000    | Mark Williamson  | ✓              | ✓ |
| Northern California Water Association                         | Sacramento Valley Integrated Regional Water Management Plan  | Prop 50 - IRWMP Planning  | 2005          | \$500,000    | Naser Bateni<br>David Miller                             |                | ✓ |
| San Bernardino Valley Municipal Water District                | Upper Santa Ana Watershed Integrated Regional Water Management Plan  | Prop 50 - IRWMP Planning  | 2005          | \$498,560    | Naser Bateni<br>David Miller<br>John Zoraster<br>Ron Eid |                | ✓ |
| Semitropic Water Storage District                             | Poso Creek Integrated Regional Water Management Plan   | Prop 50 - IRWMP Planning  | 2005          | \$499,435    | John Zoraster  |                | ✓ |
| Northern California Water Association                         | Sacramento Valley Integrated Regional Water Management Plan- Step 2  | Prop 50 - IRWMP Implementation  | 2006          | \$12,500,000 | Naser Bateni<br>David Miller                             |                | ✓ |
| Mojave Water Agency   | Mojave Water Agency Regional Water Management Plan   | Prop 50 - IRWMP Implementation  | 2007          | \$25,000,000 | Mark Williamson  | ✓              | ✓ |
| Semitropic Water Storage District Lead Agency                 | System Optimization Reliev for the Poso Creek IRWM Plan Area   | USBR Challenge Grant Program: Water 2025  | 2008          | \$300,000    | Sam Schaefer<br>Ron Eid<br>David Miller                  |                | ✓ |
| Mojave Water Agency   | Water Treatment and Collection Facilities (High Desert WD) and Recharge Basin and Associated Water Transmission (Joshua Basin WD)    | Prop 84 - Implementation, Round 1   | 2011          | \$6,000,000  | Mark Williamson  |                | ✓ |
| Mojave Water Agency   | Cash for Grass Program   | Prop 84 - Implementation, Round 1   | 2011          | \$2,000,000  | Mark Williamson  |                | ✓ |
| Gateway IRWM Authority  | Gateway Regional RWMP Planning   | Prop 84 - IRWMP Planning, Round 1   | 2011          | \$950,000    | Bill Bennett   |                | ✓ |
| Northeastern San Joaquin County Groundwater Banking Authority | Eastern San Joaquin Integrated Regional Water Management Plan  | Prop 84 - IRWMP Planning, Round 1   | 2011          | \$545,925    | Mark Williamson  |                | ✓ |
| Santa Barbara County Water Agency                             | Santa Barbara County Integrated Regional Water Management Plan 2012  | Prop 84 - IRWMP Planning, Round 1   | 2011          | \$555,737    | Robert Almy  |                | ✓ |
| Imperial Irrigation District                                  | Imperial Integrated Regional Water Management Plan   | Prop 84 - IRWMP Planning, Round 1   | 2011          | \$1,000,000  | Matt Zidar   |                | ✓ |
| Semitropic Water Storage District                             | Poso Creek Integrated Regional Water Management Plan   | Prop 84 - Implementation, Round 1   | 2011          | \$8,215,000  | Rick Iger, Sam Schaefer,<br>Aaron McWilliams             |                | ✓ |
| <b>Conjunctive Use</b>  |  |   |               |              |  |                |   |
| Butte Water District  | Conjunctive Use Construction Grant   | Prop 13 - Conjunctive Management Program Grant                                    | 2004          | \$1,400,000  | Naser Bateni<br>Richard Shatz                            |                | ✓ |
| Sutter Extension Water District                               | Conjunctive Use Construction Grant   | Prop 13 - Conjunctive Management Program Grant                                    | 2004          | \$1,500,000  | Naser Bateni<br>Richard Shatz                            |                | ✓ |
| West Basin Municipal Water District                           | West Basin Seawater Barriers   | Prop 13 - Conjunctive Management Program Grant                                    | 2004          | \$8,000,000  | Naser Bateni   | ✓              |   |
| Semitropic Water Storage District                             | Water Management and Measurement Improvements for Return of Stored Water from the Semitropic Water Storage District Groundwater Bank | USBR Challenge Grant Program: Water for America                                   | 2009          | \$300,000    | Sam Schaefer<br>Isela Medina                             |                | ✓ |
| Shafter-Wasco and North Kern Water Storage District           | Water Banking Improvement Project  | USBR Challenge Grant Program: Water for America                                   | 2009          | \$300,000    | Ron Eid<br>Isela Medina                                  |                | ✓ |
| Semitropic WSD  | Pond-Poso Spreading and Recovery Facility  | USBR Challenge Grant Program: Recovery Act of 2009 Water Marketing and Efficiency | 2009          | \$2,222,660  | Sam Schaefer<br>Isela Medina<br>Various Staff            |                | ✓ |
| Semitropic-Rosmond Antelope Valley Water Bank JPA             | Antelope Valley Water Bank Initial Recharge and Recovery Facility Improvement Project  | USBR Challenge Grant Program: Recovery Act of 2009 Water Marketing and Efficiency | 2009          | \$5,000,000  | Lorena Ospina<br>Marc Rozman<br>Various Staff            |                | ✓ |

| CLIENT   | PROJECT NAME  | PROGRAM NAME<br>(e.g., Proposition 13, AB 303)  | YEAR OF AWARD | AWARD AMOUNT | GEI STAFF  | R | W |
|--|---|---|---------------|--------------|--|---|---|
| North Kern WSD   | Calloway Canal to Lerdo Canal Inertie   | USBR Challenge Grant Program; Recovery Act of 2009 Water Marketing and Efficiency     | 2009          | \$5,000,000  | Ron Eid, Sam Schaefer, Rick Iger                           |   | ✓ |
| North Kern Water Storage District  | Turnout No. 2   | Reclamation, WaterSMART   | 2010          | \$300,000    | Ron Eid, Isela Medina                                      |   | ✓ |
| Shafter-Wasco ID   | South Inertie between North Kern WSD and Shafter-Wasco ID   | Reclamation, WaterSMART   | 2010          | \$300,000    | Sam Schaefer, Rick Iger                                    |   | ✓ |
| Semitropic WSD   | Planning, Design, and Permitting the Stored Water Recovery Unit of the Semitropic WSD GW Bank         | USBR: Groundwater Banking Improvements in NW Kern County                              | 2010          | \$917,000    | Ron Eid<br>Sam Schaefer<br>Various Staff                   |   | ✓ |
| <b>Water Use Efficiency</b>  |   |   |               |              |  |   |   |
| Biggs-West Gridley Water District  | Regional Water Measurement Program  | Prop 50 - Water Use Efficiency  | 2005          | \$50,000     | Naser Bateni<br>Michael Cornelius<br>David Miller          |   | ✓ |
| Los Angeles Department of Water and Power                                    | Cooling Tower Conductivity Controller Replacement Program   | Prop 50 - Water Use Efficiency  | 2005          | \$350,000    | Naser Bateni<br>Michael Cornelius                          |   | ✓ |
| Los Angeles Department of Water and Power                                    | Large Landscape Smart Irrigation Program  | Prop 50 - Water Use Efficiency  | 2005          | \$183,750    | Naser Bateni<br>David Miller                               |   | ✓ |
| Los Angeles Department of Water and Power                                    | Los Angeles City Parks Irrigation Efficiency Program  | Prop 50 - Water Use Efficiency  | 2005          | \$382,000    | Naser Bateni<br>David Miller                               |   | ✓ |
| Oakdale Irrigation District  | Tailwater Recovery Program  | Prop 50 - Water Use Efficiency  | 2005          | \$731,500    | Naser Bateni<br>David Miller                               |   | ✓ |
| Stevinson Water District   | Lateral Canal Pipelining Project  | Prop 50 - Water Use Efficiency  | 2005          | \$896,000    | Naser Bateni<br>David Miller                               |   | ✓ |
| Central Basin Municipal Water District                                       | Conservation Outreach Targeting Multicultural Communities   | Prop 50 - Water Use Efficiency  | 2007          | \$100,000    | Bill Bennett   | ✓ |   |
| Central Basin Municipal Water District                                       | High Efficiency Living Program  | Prop 50 - Water Use Efficiency  | 2007          | \$1,563,900  | Bill Bennett   | ✓ |   |
| Central Basin Municipal Water District                                       | Urban City Makeover Program   | Prop 50 - Water Use Efficiency  | 2007          | \$113,746    | Bill Bennett   |   | ✓ |
| Consolidated Irrigation District   | Canal Modernization Program   | Prop 50 - Water Use Efficiency  | 2007          | \$250,000    | Matt Zidar   |   | ✓ |
| Los Angeles Department of Water and Power                                    | Residential Smart Irrigation Controller Device Install  | Prop 50 - Water Use Efficiency  | 2007          | \$1,650,000  | Bill Bennett   | ✓ |   |
| West Basin Municipal Water District  | Green Garden  | USBR (Callied)  | 2007          | \$231,000    | Bill Bennett   | ✓ |   |
| West Basin Municipal Water District  | CII Incentive Program   | Prop 50 - Water Use Efficiency  | 2007          | \$404,437    | Bill Bennett   | ✓ |   |
| West Basin Municipal Water District  | CII Program   | USBR  | 2007          | \$66,000     | Bill Bennett   | ✓ |   |
| West Basin Municipal Water District  | Conservation Master Plan  | USBR  | 2008          | \$100,000    | Bill Bennett   | ✓ |   |
| West Basin Municipal Water District  | High-efficiency Toilet Full Service Multi-family Program  | MWD   | 2008          | \$681,000    | Bill Bennett   | ✓ |   |
| West Basin Municipal Water District  | Zero-runoff Street Median Water Conservation Program  | MWD   | 2008          | \$100,000    | Bill Bennett   | ✓ |   |
| West Basin Municipal Water District  | Food Facilities Audit, Incentive and Training Program   | MWD   | 2008          | \$37,500     | Bill Bennett   | ✓ |   |
| Shafter-Wasco Irrigation District/ North Kern Water Storage District         | South Interconnection between North Kern Water Storage District and Shafter-Wasco Irrigation District | USBR - WaterSMART Water and Energy Efficiency   | 2010          | \$300,000    | Sam Schaefer, Rick Iger                                    | ✓ |   |
| North Kern Water Storage District  | Canal Turnout to N. Kern Water Storage District   | USBR - WaterSMART Water and Energy Efficiency   | 2010          | \$300,000    | Ron Eid, Isela Medina                                      | ✓ |   |
| Semitropic Water Storage District  | Water Use Efficiency and Energy Improvement for Semitropic WSD and Growers                            | WaterSMART Program, Bay-Delta Agricultural Water Conservation and Efficiency Projects | 2011          | \$711,000    | Sam Schaefer, Rick Iger,<br>Isela Medina, Aaron McWilliams |   | ✓ |
| <b>Groundwater Management/AB303/Local GW Assistance Program</b>              |   |   |               |              |  |   |   |
| Stevinson Water District   | Groundwater Quality Investigations  | AB 303  | 2004          | \$225,000    | Naser Bateni<br>Richard Shatz                              |   | ✓ |
| Kings River Conservation District, Lower Kings Groundwater Management Group, | Lower Kings Groundwater Management Plan (SB 1938)   | AB303   | 2004          | \$175,000    | Matt Zidar   |   | ✓ |
| Modesto Irrigation District  | Well Field Optimization Project   | AB 303  | 2005          | \$250,000    | Naser Bateni<br>Michael Cornelius<br>David Miller          |   | ✓ |

| CLIENT                                    | PROJECT NAME   | PROGRAM NAME<br>(e.g., Proposition 13, AB 303)                          | YEAR OF<br>AWARD | AWARD<br>AMOUNT      | GEI STAFF                                       | R | W |
|---|--|---|------------------|----------------------|---|---|---|
| City of Tracy                             | Tracy Regional Groundwater Management Plan                                       | AB303   | 2005             | \$184,842            | Richard Shatz<br>Michael Cornelius              |   | ✓ |
| Sacramento Groundwater Authority          | North Sacramento County Regional Groundwater Model Enhancements                  | AB 303  | 2005             | \$249,840            | Michael Cornelius                               |   | ✓ |
| Semitropic Water Storage District         | Regional Subsidence Monitoring   | AB303   | 2005             | \$220,000            | Ron Eid<br>John Zoraster                        |   | ✓ |
| Semitropic WSD                            | 2005 Groundwater Monitoring Improvement Project                                  | LGA Program   | 2005             | \$218,141            | Ron Schnabel                                    |   | ✓ |
| Sutter County                             | Regional Groundwater Management Plan   | DWR – General Fund  | 2005             | \$230,000            | Naser Bateni                                    |   | ✓ |
| Consolidated Irrigation District          | Groundwater Management Plan Update   | AB 303  | 2006             | \$250,000            | Matt Zidar                                      |   | ✓ |
| City of Paso Robles                       | Paso Robles Regional Groundwater Management Plan                                 | AB303   | 2007             | \$220,000            | Michael Cornelius<br>Naser Bateni               |   | ✓ |
| Oakdale Irrigation District               | Well Field Optimization Demonstration Project Phase II                           | AB 303  | 2007             | \$250,000            | Naser Bateni<br>Matt Zidar                      |   | ✓ |
| Consolidated Irrigation District          | Groundwater Mitigation and Banking Program Site Characterization and Feasibility | AB 303  | 2007             | \$250,000            | Matt Zidar                                      |   | ✓ |
| North Kern WSD                            | North Kern Groundwater Monitoring Program  | LGA Program   | 2008             | \$250,000            | Ron Eid   |   | ✓ |
| <b>Flood Control</b>                      |  |   |                  |                      |   |   |   |
| Three Rivers Levee Improvement Authority  | Upper Bear-Western Pacific Interceptor Canal Design                              | Prop 13 – Design Grant  | 2004             | \$1,620,000          | Herb Greydanus                                  |   | ✓ |
| Yuba County Water Agency                  | Yuba-Feather Flood Protection Program  | Prop 13, Flood Control Grant – Design of Forecast-Coordinated Operation | 2004             | \$5,545,000          | Naser Bateni<br>Herb Greydanus                  |   | ✓ |
| Yuba County Water Agency                  | New Colgate Tailwater Depression Project   | Prop 13 – Design Grant  | 2004             | \$608,000            | Herb Greydanus                                  |   | ✓ |
| Three Rivers Levee Improvement Authority  | Yuba-Feather Flood Protection Program  | Prop 13 Design Grant – Levee Setback Project                            | 2004             | \$3,257,000          | Naser Bateni<br>Herb Greydanus                  |   | ✓ |
| Three Rivers Levee Improvement Authority  | Yuba-Feather Flood Protection Program  | Prop. 13 Construction, DFG Mitigation Grant                             | 2005             | \$19,000,000         | Naser Bateni<br>Herb Greydanus                  |   | ✓ |
| Three Rivers Levee Improvement Authority  | Yuba-Feather Flood Protection Program  | Prop. 13 Setback Levee Construction                                     | 2005             | \$22,443,000         | Herb Greydanus<br>Alberto Pujol<br>Dan Wanket   |   | ✓ |
| Three Rivers Levee Improvement Authority  | Feather River Levee Improvement Project – Phase 4                                | Prop 13 – Construction  | 2005             | \$1,303,000          | Alberto Pujol<br>Naser Bateni<br>Herb Greydanus |   | ✓ |
| <b>Other</b>                              |  |   |                  |                      |   |   |   |
| Stevinson Water District                  | Piping Irrigation Laterals Project   | USBR FY 2004 Challenge Grant  | 2004             | \$300,000            | Naser Bateni<br>David Miller                    |   | ✓ |
| Sutter Extension Water District           | Conveyance System Improvements   | DWR – General Funds   | 2004             | \$250,000            | Naser Bateni                                    |   | ✓ |
| Yuba County Water District                | Forbestown Pipeline Rehabilitation   | Prop 13 Infrastructure Rehabilitation Feasibility Study                 | 2004             | \$4,200,000          | Naser Bateni<br>Nancy Pallister                 |   | ✓ |
| Los Angeles Department of Water and Power | Seawater Desalination Pilot Project  | DWR – General Fund  | 2005             | \$70,000             | Naser Bateni                                    |   | ✓ |
| Los Angeles Department of Water and Power | Seawater Desalination Pilot Project  | USBR- Desalination Grant Program  | 2005             | \$250,000            | David Miller<br>John Zoraster                   |   | ✓ |
| Stevinson Water District                  | Agricultural Drainage Control Program  | Prop 50 – Agricultural Water Quality Grant Program                      | 2005             | \$603,000            | Naser Bateni<br>David Miller                    |   | ✓ |
| Los Angeles Department of Water and Power | Seawater Desalination Pilot Project  | Prop 50 – Desalination Grant Program                                    | 2006             | \$1,500,000          | Naser Bateni<br>Michael Cornelius               |   | ✓ |
| Los Angeles Department of Water and Power | Water System Security Upgrades   | Prop 50 – California DPH  | 2007             | \$10,000,000         | Bill Bennett                                    | ✓ | ✓ |
| <b>Total Funds Awarded</b>                |  |   |                  | <b>\$168,156,173</b> |   |   |   |

In addition to IRWMPs, GEI staff work on groundwater management plans and other multi-stakeholder planning processes, including Agricultural Water, Regional Groundwater, and Urban Water Management Plans; Nitrate/Water Quality Management Plans; and Flood Control Plans. Our firm's engineers, scientists, and planners have long histories in public and private organizations dealing with water supply, flood, water quality, and environmental planning. They have delivered technical, policy, and management services for multi-disciplined and multi-participant water management programs.

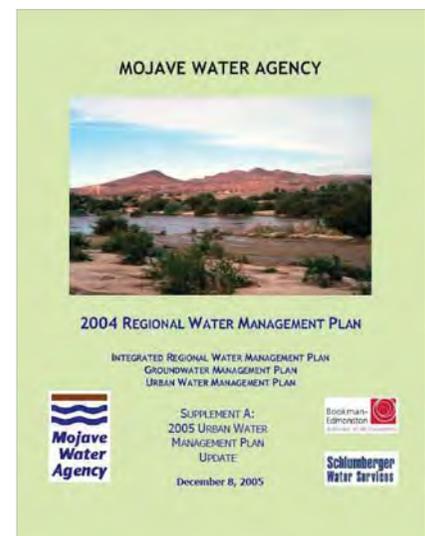
Descriptions of integrated regional projects involving key staff follow. We encourage the selection committee to contact these clients for insight regarding our performance.

### Mojave Water Agency IRWMP

Client: Mojave Water Agency  
Contact: Kirby Brill, General Manager, (760) 946-7000  
Staff Involved: Mark Williamson

The Mojave Water Agency's (MWA) Regional Water Management Plan is a dynamic planning document intended to guide future development and utilization of water resources in the area, which is presently in a state of overdraft. The MWA 2004 Regional Water Management Plan and the Programmatic Environmental Impact Report for the plan were adopted in February 2005. The 2004 plan is an update of the 1994 plan performed by Bookman-Edmonston. The IRWMP also meets all requirements of a Groundwater Management plan and an Urban Water Management Plan.

Activities related to the preparation of the regional plan included preparing hydrologic inventories to evaluate the present and historical conditions of surface and groundwater supplies (including water quality) and groundwater production for agricultural and urban purposes; estimating future water demands; and developing water management strategies balancing demand with available supplies—including an imported water supply of approximately 75,800 acre-feet from the State Water Project. The 2004 plan describes 60 specific actions for plan implementation. Groundwater recharge, principally along the Mojave River, is the cornerstone of the plan and future management strategies. The MWA 2004 Regional Water Management Plan is the result of three years of collaborative planning with 56 water agencies, municipalities, state and



federal agencies, and other community interests to screen and select the best water management strategies to address regional issues. This effort included development of a Programmatic Environmental Impact Report. Follow-on tasks included development of a regional water quality model, making recommendations for obtaining a post-2020 water supply, developing protocols for monitoring plan implementation, and assisting the MWA in obtaining Proposition 50 and Proposition 84 grant funding, and facilitating a water transfer to meet supplemental supply needs.

## Eastern San Joaquin Integrated Regional Water Management Plan

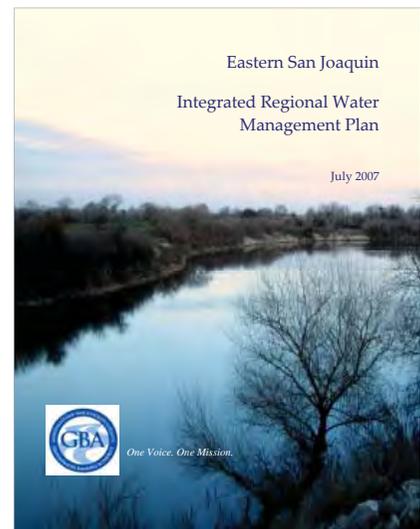
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Client: Northeastern San Joaquin County Groundwater Banking Authority  
Contact: Dr. C. Mel Lytle, San Joaquin County Water Resources Coordinator  
(209) 468-3089  
Staff Involved: Mark Williamson, Ron Schnabel

GEI led development of the IRWMP on behalf of the Northeastern San Joaquin County Groundwater Banking Authority. GEI staff drafted the scope for the plan, which led to a \$250,000 grant for plan development. GEI staff were involved in all aspects of plan formulation, development, analysis, public and stakeholder outreach, grant writing assistance, and environmental documentation.

Plan development was performed using a systems approach to the interlinked natural, urban, and agricultural water supply and demand components. A series of stakeholder workshops were held to formulate and develop consensus on the fundamental objectives, and the universe of ways these objectives might be achieved. A set of performance measures were developed early in the process to provide an unbiased methodology to measure how well these fundamental objections were met.

The plan developed, screened, and prioritized four principal alternatives, each compiled from 30 individual project and management action alternatives. Each alternative provided 140,000 to 160,000 acre-feet of average annual supply to recharge the overdrafted Eastern San Joaquin aquifer. The plan was certified in July 2007. GEI staff also prepared the successful Region Acceptance Process application for the region, and has developed implementation plans for some of the highest priority



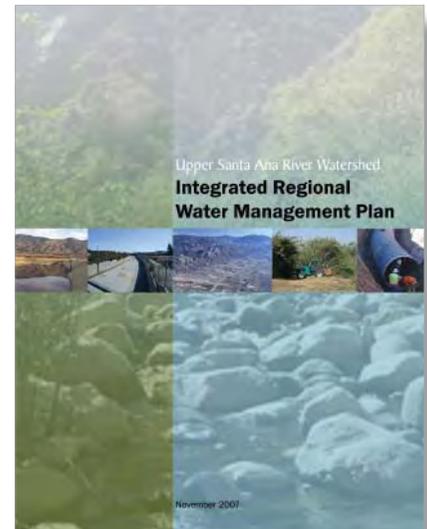
projects. Draft environmental documentation was completed in August 2009.

## Upper Santa Ana IRWMP

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Client: San Bernardino Valley Municipal Water District  
Contact: Robert Tincher, Program Manager, (909) 387-9215  
Staff Involved: John Zoraster

GEI helped the Upper Santa Ana Water Resources Association develop an IRWMP to address water management issues for the communities of the Upper Santa Ana River watershed. The area is dependent upon the San Bernardino Basin and imported water from the State Water Project (SWP). A primary objective of the IRWMP was to improve water supply reliability and self-reliance for future water supplies by identifying, defining, and establishing strategies to capitalize on all water management opportunities available today or that may become available. The process screened and identified water supply alternatives for this fast-growing region. The Upper Santa Ana Plan was also designed to help participating agencies comply with a number of laws, judgments, and agreements, as well as defining municipal and industrial projects. The plan will help the region reduce its dependence on imported water, while providing reliable, good-quality water for economic growth and enhancing the well-being of the residents of the Upper Santa Ana River region.

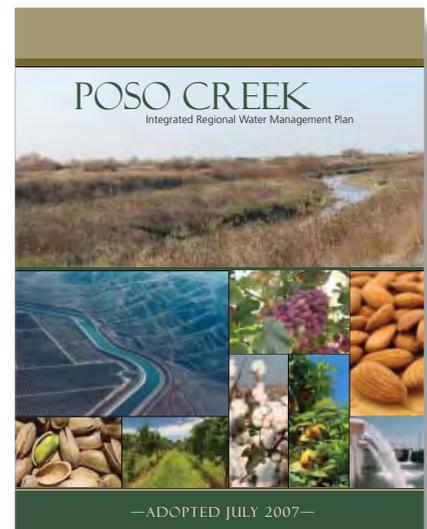


## Poso Creek IRWMP

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Client: Semitropic Water Storage District  
Contact: Paul Oshel, District Engineer (661) 758-5113  
Staff Involved: David Miller, Dick Rhone, John Zoraster

GEI was retained by Semitropic Water Storage District (SWSD) to formulate the Poso Creek IRWMP on behalf of seven agricultural water districts, one resource conservation district, and several participating stakeholders. GEI assisted SWSD in applying for a Proposition 50 planning grant, which was received and utilized to complete the IRWMP document. The Poso Creek IRWMP was adopted by the Regional Management Group in July 2007. During the plan development, GEI coordinated several related tasks that supported the plan. A water demand/supply and water budget was prepared for the region to identify facilities needed to meet water needs. Specific facilities were formulated



and evaluated to help meet the water needs of participating agencies. The Poso Creek IRWMP had an aggressive schedule and was developed and completed ahead of the deadline. The plan helped balance the needs of in- and out-of-basin users and manage imports from SWP and CVP. The plan included expansion of groundwater storage and banking opportunities, preliminary design, and feasibility-level analysis of capital projects such as pipelines, pumping stations, well fields, and conveyances.

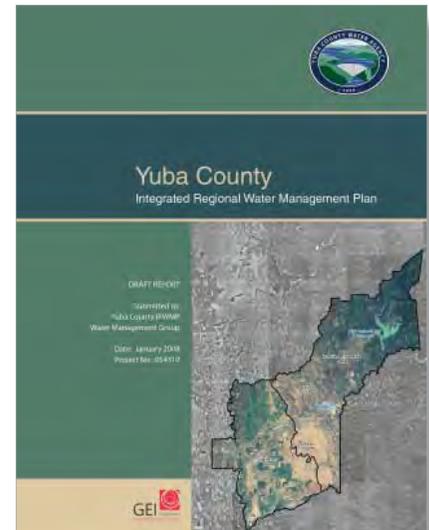
## Yuba County IRWMP

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Client: Yuba County Water Agency  
Contact: Curt Aikens, General Manager (530) 741-6278  
Staff Involved: Michael Cornelius

GEI led all aspects of the development and preparation of the IRWMP, and worked closely with agency staff and the Regional Water Management Group (RWMG) to address its water management issues. GEI prepared the draft, public draft, and final IRWMP documents; led approximately 20 RWMG meetings; made 12 presentations to RWMG agency boards; and coordinated planning efforts with the management of neighboring water agencies. The team maintained the flexibility to adapt the plan to changing conditions as directed by the RWMG, or by changes in state IRWMP requirements.

A primary purpose of the plan was to help implement the Yuba River Accord, which seeks to settle water rights issues. The area also faces increased urbanization and conversion of agricultural land and water uses to municipal and industrial. The plan provided water demand/ supply and water budgets for the region and coordination of activities with local agency technical staff and managers as needed. Multiple water management strategies, including flood control, water supply, conjunctive use, water quality, ecosystem, and recreation and extensive public outreach and communications with participating agencies was part of the RWMG. Based on evaluation criteria developed for this project, more than 60 potential projects were identified, evaluated, and ranked by priority for implementation.

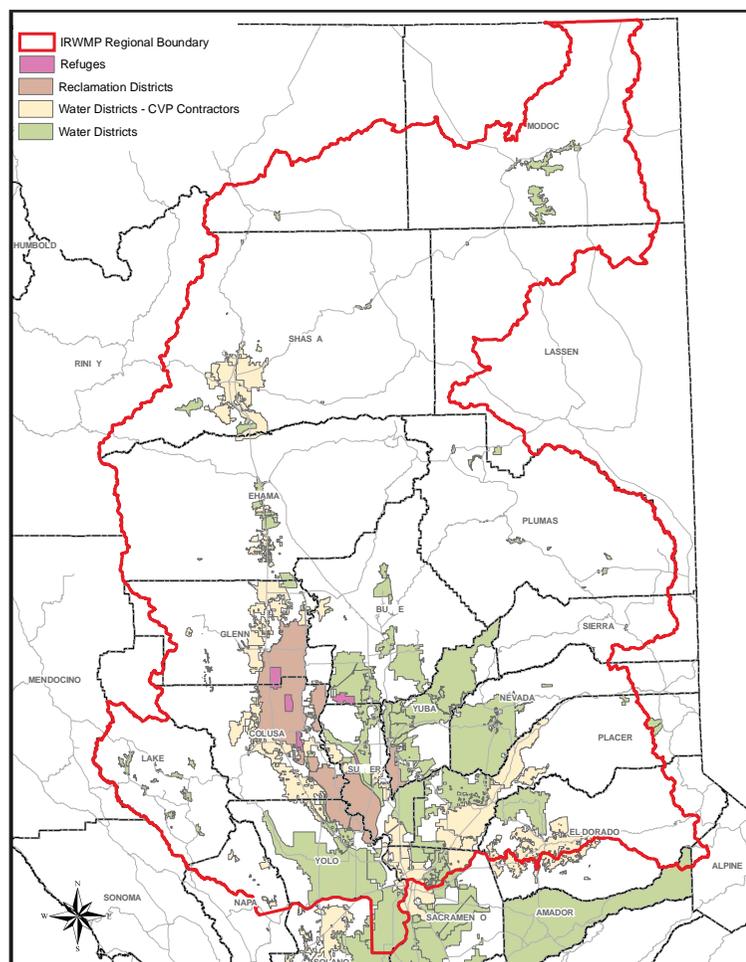
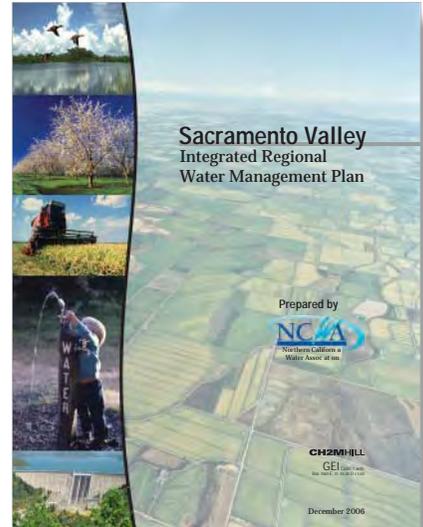


## Sacramento Valley IRWMP

Client: Northern California Joint Exercise of Powers  
Contact: Todd Manley (916) 442-8333  
Staff Involved: David Miller

GEI was the lead consultant preparing the Sacramento Valley IRWMP and the grant application for obtaining project implementation funding. In this role, GEI worked closely with irrigation and other special districts to develop a complete, regional approach to integrated water management that satisfied regional objectives and met the requirements of DWR. The plan included defining projects, developing screening criteria, and making recommendations for both projects and programs to increase supply reliability and protect local water rights.

A primary purpose of the Sacramento Valley IRWMP was to protect regional water rights. GEI coordinated efforts of multiple irrigation districts and counties engaged in plan development and led an integrated



## **RESUMES**

**Mark S. Williamson, PE**

**John Zoraster, PE**

**Richard A. Rhone, PE**

**Michael Cornelius, PG**

**David Miller, PE, PhD**

**Ronald Schnabel, PG, CHG**

### **Education**

M.S. Civil Engineering, University of Washington, 1984

B.S. Civil Engineering, University of California, Berkeley 1979

### **Registration**

California

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### **Background**

Mr. Williamson is a registered civil engineer with 28 years of experience in both the public and private sectors. He has provided civil engineering expertise in numerous aspects of water resources, including hydroelectric, water supply, design, construction management, water distribution system modeling, dam safety, surface and groundwater hydrology, flood control, and project management.

### **Experience**

#### **Water Management Planning**

Mr. Williamson has significant experience managing water supply studies and water source investigations. Client services provided by Mr. Williamson include technical and policy assistance in water supply reliability, conjunctive use and groundwater banking, reservoir system analysis, and regulatory compliance.

- Mr. Williamson was project manager for development and environmental screening of a range of implementable supply and groundwater recharge options for use of San Joaquin County water rights filings as part of the Freeport Element of the American River Utilization Project.
- Mr. Williamson managed the Mojave Water Agency's Regional Water Management Plan Update, a stakeholder-driven process to screen and select the best water management strategy to match projected supplies with forecasted 2020 demands. The Plan was developed to meet the requirements of an Integrated Regional Water Management Plan, a Groundwater Management Plan, and an Urban Water Management Plan. This effort included development of a Programmatic Environmental Impact Report.
- Developed recommendations on long-term water acquisition options for Mojave Water Agency and facilitated a 14,000 acre-foot transfer to the agency.
- Mr. Williamson led the development of an Integrated Regional Water Management Plan for the San Joaquin County Groundwater Banking Authority, and is the project manager for the implementation study and design.
- Developed groundwater storage and conjunctive use projects to meet projected demands. Project Manager on the San Joaquin County/EBMUD Mokelumne Aquifer Recharge and Storage Project.
- Performed statistical and stochastic analyses and established confidence bounds for Mokelumne River streamflow.
- Developed economic criteria and performed economic evaluation and rate impact analysis of EBMUD Updated Water Supply Management Program.
- Performed EIR/EIS review of 130,000 acre-foot Pamo Dam and Reservoir for the City of San Diego to determine feasibility of supplying emergency supply to San Diego County.
- Provided support for San Joaquin County and Stockton East Water District water rights filings
- Provided successful grant writing assistance and prepared Region Acceptance Process applications for a variety of clients.

### **Hydraulic/Water Supply Studies:**

- Principal for development of EBMUD's Water Supply Management Program Environmental Impact Report, an alternatives evaluation and integrated resources plan.
- Performed assessment of yield of American and Sacramento rivers to EBMUD using the Bureau of Reclamation's PROSIM model of the Central Valley Project and State Water Project.
- Project Engineer for the Mountain Tunnel Flow Study for the City of San Francisco's Hetch Hetchy Water and Power Department. The project involved the testing and modeling of this 20-mile tunnel to determine the reasons for decreasing flow capacity, and recommending and implementing remedial measures.
- Project Manager for the Balboa and Francisco Reservoirs Needs Assessment for the San Francisco Water Department. Future water demand estimates were updated and incorporated into KYPIPES and LIQSS (Stoner) distribution system models for pressure zones serving 80 percent of the City. Using these models, areas of deficient pressure or storage were identified and solutions formulated using both remedial piping or the presently unused Balboa and Francisco Reservoir sites.
- Performed surface and groundwater hydrologic balance of Salton Sea, California, in support of litigation.
- Project Manager for engineering alternatives analysis for replacement of Hetch Hetchy Reservoir.
- Project Manager for assessment of four competing desalination projects in the Monterey Bay area.

### **Water Resource Development Projects**

Mr. Williamson was responsible for negotiation and development of surface water and groundwater development projects, including groundwater recharge/banking projects and major surface water diversion and conveyance projects.

- Directed technical studies and developed agreements for joint development of the Freeport Water Supply Project by EBMUD and Sacramento County Water Agency.
- Performed environmental analysis of groundwater recharge options for Joshua Basin Water District.
- Performed analysis of local groundwater banking projects for the Kern County Water Agency.
- Provided consulting services to Pacific Gas and Electric Company for hydro project management, economic and feasibility studies of new and upgraded hydroelectric power projects, computer modeling, and FERC relicensing applications.
- Performed Indian Public Trust (Winters) water rights quantification, groundwater depletion studies, flooding studies, surface and groundwater hydrology, irrigation and drainage system design, well design, and utility rate studies.

### **Project Management**

- Performed program management for the design of a nine-mile irrigation canal for the Yuba County Water Agency.
- Overall responsibility for negotiation and development of groundwater storage/conjunctive use projects in San Joaquin County, Sacramento County, and on the East Bay Plain. Includes development of pilot groundwater injection facilities, permitting, and environmental documentation.
- Responsible for developing a negotiated multi-party agreement for implementing a \$700 million joint American River diversion and conveyance project.
- Participated in program management team for \$25 million DWR Central Valley Floodplain Evaluation and Delineation program.
- As acting Manager of EBMUD Water Supply Improvements, responsible for direction of 22 staff and multiple regional water development projects, environmental documents, and water supply contracts.
- Provided planning support for hydroelectric construction projects for Pacific Gas and Electric's Hydro Projects Management Department. Responsibilities included project scheduling, cost

estimating, monitoring of progress, and production of schedule updates for new powerhouses and powerhouse upgrades.

- For PG&E, responsible for scheduling and cost estimates for a five-year, \$27 million addition/upgrade to the DeSabra/Centerville project on the Feather River.
- Acted as Scheduling Coordinator for 25 personnel and 40+ active jobs.

### **Groundwater Hydrology**

- Team leader for development of groundwater storage and extraction facilities in San Joaquin and Sacramento counties, and in the East Bay Plain in EBMUD's service area. Responsibilities ranged from project conceptualization and partnership negotiation through pilot testing, design, permitting, construction, and environmental documentation.
- Performed evaluation of numerous proposals to store and extract groundwater in Kern County as part of the Kern Water Bank.
- Performed groundwater modeling of City of Bakersfield's 2800-acre groundwater recharge facilities.
- Performed groundwater depletion studies for the Gila River, San Xavier, Papago and San Carlos Indian Reservations in Arizona.
- Project Engineer for the study of Salinas River groundwater basin. Project was undertaken to determine feasibility of increasing yield for the City of San Luis Obispo, within restrictive legal constraints.
- Performed evaluation of well pump tests to establish the degree of interconnection in a complex multi-aquifer system in Kern County. Performed replacement cost estimate for City of Palo Alto water supply/well system. Evaluated evidence of seawater intrusion in coastal San Diego County. Directed regional pumping test and modeling of South East Bay Plain and Niles Cone groundwater basins.

### **Design**

- Design Engineer for the North Stockton Water Pipeline, a nine-mile, 48-inch diameter transmission pipeline for the City of Stockton. Included design of 42- and 30-inch distribution mains. Project included preparation of plans, specifications, cost estimates and bid documents, and acquisition of permits, easements and agreements from more than 20 agencies and utilities. \$8 million construction cost.
- Design Engineer for upgrade and 8 MGD expansion of two 20 MGD, 400-foot lift pump stations on the Whale Rock Water Conduit, San Luis Obispo County.
- Design of Farmington Canal Siphons, three twin bore eight-foot diameter inverted siphons approximately 500, 550 and 1300 feet long, together with intake and discharge structures and related facilities for the Stockton East Water District.
- Oversight for design and construction of groundwater recharge, recovery, and conveyance facilities in San Joaquin County and within the East Bay Plain, California.
- Preliminary design of stream diversion, intake, and pumping facilities for the Coastal Streams Project, San Luis Obispo County.
- Preliminary design of spillway modifications for Salinas Dam, San Luis Obispo County.
- Preliminary design of pipeline and pumping facilities to serve emergency storage reservoirs in San Diego County.
- Project Manager for engineering services for surface water treatment and groundwater recharge investigations for the City of Lodi, California.

### **Construction Management**

- Construction Manager for the \$8 million North Stockton Water Pipeline. Responsible for supervision of two Contractors, construction inspectors, and preparation of progress estimates.
- Consultant Project Manager for repair of Hetch Hetchy Water and Power's Mountain Tunnel.

### **Hydroelectric Feasibility**

- Under contract with Pacific Gas and Electric Company (PG&E), developed, operated and modified numerous computer models to simulate operation of numerous new and existing hydroelectric projects. Model results were used to evaluate potential improvements and/or new in-stream requirements. Project benefits were optimized by balancing long-term energy production with dependable capacity.
- Prepared FERC relicensing exhibits for hydroelectric projects undergoing competitive relicensing.
- Evaluated feasibility of conventional and pumped storage hydro on the proposed Santa Margarita River Dams.

### **Storm Drainage and Flood Control**

- Project Engineer for City of Scotts Valley Storm Drainage Master Plan. Included was mapping, hydrologic and collection network computer modeling, recommendation of new facilities, and design criteria. Also made policy recommendations for system maintenance, riparian corridor protection, and stormwater detention and recharge.
- Performed reconnaissance-level study of flood control alternatives on its tributaries in and around Roseville, California. Tasks included HEC-2 computer analyses of existing and potential channel configurations, and preparation of cost estimates.

### **Modeling and Data Management**

Mr. Williamson has extensive experience in computer operations modeling and data management.

- Project Manager for modeling analyses of statewide water system impacts from development of Sacramento County/EBMUD Freeport Project
- Project Manager for modeling analyses for the State Water Project Monterey Amendment EIR.
- Project Manager for water quality database and modeling for Mojave Water Agency.
- Performed statewide water economics modeling for U.S. Bureau of Reclamation using the CALVIN model.
- Performed reservoir operations studies of Whale Rock Reservoir, San Luis Obispo County, to determine incremental reservoir yield resulting from interbasin diversions.

### **Selected Publications**

- “Conjunctive Use Planning,” June 1992. Proceedings of the American Water Works Association 1992 Annual Conference.
- “East Bay Municipal Utility District Conjunctive Use Planning in San Joaquin County,” September 1995. Proceedings of the 20th Biennial Groundwater Conference. Water Resources Center Report No. 88.

# John Zoraster, PE, Principal Engineer



## Education

B.S., Civil Engineering, California State University, Los Angeles, 1985  
B.A., Economics, Occidental College, 1971

## Registration

California, Registered Civil Engineer, No. 44284

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## Background

Mr. Zoraster has 30 years of professional experience in water resources planning and public works projects. His experience includes planning and implementation of capital improvement programs, conjunctive use projects, municipal water supply, recycled water, water system valuation, and rate studies.

## Experience

### **Mid-Valley In-Lieu Program, Coachella Valley Water District, Coachella, CA (1999 to present).**

This conjunctive use program was initially conceived during a broad conjunctive use/stored water investigation for the District and Metropolitan Water District in 1999. Mr. Zoraster was responsible for the initial layout and sizing of production, transmission, distribution, and recharge facilities to improve CVWD's operational flexibility for that study. The program will establish a 50,000 acre-foot conjunctive use program combining surface water, groundwater, and recycled water. Mr. Zoraster was responsible for the 2005 Concept Report that became the basis for initiating design studies and development of an implementation plan to phase conversion of golf courses from their current water sources to the conjunctive use program. Mr. Zoraster was the assistant project manager for the Phase 1 design of six-mile, 54-inch transmission pipeline. The design was completed in 2006 and construction was completed in 2008. In 2010, Mr. Zoraster completed an evaluation of the conveyance capacity of an existing non-potable water system that is part of the program.

**Project Development Plan for the State Water Project Extension, Coachella Valley Water District, Coachella, CA (2007 to present).** The proposed State Water Project Extension would extend the State Water Project to the Coachella Valley. Several state water contractors, led by Coachella Valley Water District, are participating in the study: Mojave Valley Water District, Desert Water Agency, Coachella, and San Bernardino Valley Municipal Water District. Mr. Zoraster is the project manager on this study. Phase 1, completed in 2007, identified four possible alignments and a cost range from \$ 0.7 billion to \$1.5 billion for the project. Phase 2 studies, initiated in August 2008, completed in 2011, further evaluates two proposed alignments. One alternative, developed by Mr. Zoraster proposed collaborative use of existing conveyance systems of the project parties. If this alternative proves to be institutionally feasible, it could reduce the costs to the public by \$200 million.

**Regional Urban Water Management Plan, Tehachapi-Cummings County Water District, CA (2010).** Developed a water balance for the Tehachapi region encompassing four groundwater basins and State Water Project supplies. Projection of the water balance through 2040.

**Integrated Water Resources Plan, Imperial Irrigation District, Imperial Valley, CA (2009).** Imperial Irrigation District is considering options to better regulate their existing supplies and to provide water supplies for future economic development. Mr. Zoraster prepared reconnaissance level investigations of recycled water opportunities throughout the District's service area. He participated in the development of reconnaissance level investigations of brackish water desalting opportunities.

**Imported Water Spreading at San Antonio Spreading Grounds, Three Valleys Municipal Water District, Claremont, CA** (2005). Prepared a feasibility study for management of imported water spreading in the Six Basins (vicinity of Claremont). Key elements of the study were evaluation of the recharge capacity of the basin, environmental documentation, modeling of the possible groundwater management options, and initial layouts of the required facilities.

**Evaluation of State Water Project East Branch Enlargement, State Water Contractors Authority, Los Angeles and San Bernardino Counties, CA** (2005). Prepared evaluation of the adequacy of the East Branch of the State Water Project. Evaluation included projecting anticipated demands of 13 water agencies for the next 20 years and preparation of a technical memorandum. Technical memorandum is being used by state water contractors to develop strategy for implementing the enlargement.

**Water Fund Rate Study and Drought Planning, City of Rialto, Rialto, CA** (2004). The City of Rialto is dependent on local water supplies and has been adversely impacted by drought and perchlorates. Mr. Zoraster provided engineering support for Rialto's Perchlorate Recovery Activities. He prepared an engineering report in accordance with California Water Code Sections 350-359 to provide authority for declaration of a Water Supply Emergency. He prepared a water fund rate study that included development of revenue requirements and rate design.

**Colorado River Interim Surplus Criteria Environmental Impact Statement, Bureau of Reclamation, Lower Colorado Region, CO** (2004). Prepared scoping report and summarizing public input. Quantified impacts on operational costs of recreational facilities at Glen Canyon and Lake Mead National Recreation Areas. Evaluated potential flood damage to structures and agriculture below Hoover Dam, based on the U.S. Army Corps of Engineers' 1982 Review of Flood Control Regulations.

**Financing of Capital Improvement Program, City of South Pasadena, Pasadena, CA** (2004). Developed implementation plan for \$20 million CIP. The proposed implementation plan included program management requirements, schedule, bond issues, and rate increases. Prepared rate study.

**Water Marketing—Transfers and Exchanges, Stored Water Recovery Unit of the Water Banking Project, Semitropic Water Storage District, Kern County, CA** (2002). Planning of a \$120 million addition to its existing Groundwater Banking Project that will increase the project's storage and recovery capacity. Prepared portions of the Engineering Report and environmental documentation. Compiled well completion and groundwater quality data.

**San Bernardino Valley Municipal Water District Master Plan Implementation, San Bernardino Valley Municipal Water District, San Bernardino, CA** (1999 to 2006). Mr. Zoraster has assisted the District with the implementation of their \$250 million Regional Facilities Master Plan. Specific projects have included:

- Project Manager for the 8-mile long, 50-cfs Baseline Feeder West Extension Feasibility Study.
- Preparation of an Integrated Regional Groundwater Management Plan.
- Permitting, cost estimating, right-of-way acquisition support, and CEQA documentation for the Baseline Feeder South Pipeline Design.
- Development of water resources criteria including sizing of reservoir, groundwater production facilities, and proposed surface water treatment plant.
- Water System Vulnerability Analysis.

**Salinity Management Study, Metropolitan Water District of Southern California, Los Angeles, CA** (1999). Quantified the impacts of salinity on residential and commercial users including the impacts on appliances and plumbing, home water treatment, and purchases of bottled water. The results of the evaluation were summarized in a projection of the cost impact for each 100-milligram-per-liter change in total dissolved solids. The study led to Metropolitan's adoption of a long-term strategy and action plan to mitigate the impacts of salinity.

### **Grant Applications**

Prepared grant applications or provided support for preparation of applications for the following agencies:

**Stored Water Recovery Unit of the Water Banking Project, Semitropic Water Storage District, Kern County, CA** (2005). Prepared portions of the engineering report and environmental documentation. Prepared economic justification of the project for a grant application to the California Department of Water Resources for this \$120 million project. Prepared a proposal to the San Francisco Public Utilities Commission for a dry-year water supply purchase exchange program.

**Three Valleys Municipal Water District, Claremont, CA**, (2005). Prepared Groundwater Storage Program Construction Grant (Proposition 13) for the San Dimas Basin Conjunctive Use Project.

**San Bernardino Valley Municipal Water District, San Bernardino County, CA** (2002). Obtained \$115,000 federal grant for a vulnerability analysis.

**Calleguas Municipal Water District, Ventura County, CA** (2000). Assisted in preparing a grant application for the development of a recycled water system and a groundwater treatment system to utilize low-quality groundwater. Responsible for cost analysis and determination of the level of financial contribution by the Metropolitan Water District of Southern California. The project facilitates the agricultural use of recycled water in lieu of groundwater. The groundwater, after treatment, then becomes available for municipal and industrial use.



# Richard A. Rhone, PE, Senior Consultant



## Education

B.S., Civil Engineering, University of Southern California, 1959

## Registration

Civil Engineer, Arizona, No. 21217; California, No. 13713

Diplomat American Academy of Environmental Engineers

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## Background

Mr. Rhone joined Bookman-Edmonston, a GEI legacy company, in 1960 and has experience in all aspects of water resources development, and operations; including planning studies related to surface, recycled and groundwater resources management, conjunctive use, hydrologic studies, watermaster services, and preliminary designs. Mr. Rhone has managed and conducted operational studies of conjunctive use projects, water banking, water rights, and water system evaluations, including projects related to the California State Water Project and the Colorado River. He has represented water contractors in numerous matters related to the California State Water Project including contract issues, cost allocations, and annual budgets. He has also provided expert testimony before the California State Water Resources Control Board, California Superior Court, and federal court on such matters as water rights, water supply, and water resource development.

## Experience

**Groundwater Banking Program, Semitropic Water Storage District, Kern County, CA** (1996 to present). Semitropic Water Storage District's Groundwater Banking Program has been a primary effort for Mr. Rhone since 1996. The work included completion of the original one million acre-foot Semitropic Groundwater Bank including finalizing contracts for storage of 1 million acre-feet, facility planning, design, and construction supervision. The expanded groundwater banking project was developed with Mr. Rhone's aid including project conception, feasibility studies, environmental documentation, and facility planning. The finalization of pre-design activity is under way. Studies included hydrogeologic modeling, facility planning of pipelines, canals, wells, reservoirs, distribution systems and a well field of 65 wells. While under Mr. Rhone's direction, Semitropic has constructed several million dollars of facilities including lining of existing canals, expanded and constructed eleven new pumping plants, added over 35 miles of distribution pipeline and constructed numerous production and monitoring wells.

**Central and West Basin, Water Replenishment District of Southern California, Los Angeles County, CA** (1960 to 1993; 2005 to present). Participated in the development of, and managed, one of the largest conjunctive use programs in California for the Water Replenishment District of Southern California (WRD). Project included spreading, well injection, and in-lieu methods to accomplish recharge. Mr. Rhone continues to advise WRD on replenishment and groundwater management issues.

In 1980, Mr. Rhone organized the San Gabriel River System Groundwater Recharge Committee. This group, which continues to meet regularly, includes all parties concerned with spreading operations along the river. It coordinates the spreading of local, imported and recycled water so that the groundwater basin is maintained at an optimum level to protect against droughts and to allow room to store wet year water. Mr. Rhone prepared annual reports for many years that evaluated the current basin conditions and recommended the future purchase of replenishment water and recommended a pumping assessment to provide funds. Mr. Rhone also developed a drought overpumping program to pump an additional 50,000 acre-feet over the court-adjudicated amount from the Central and West Basins of Los Angeles County. Mr. Rhone managed a continuing water quality monitoring program, including about 200 wells and 10 surface water-sampling points. The program includes reviewing data collected by the Regional Water Quality Control Board on

possible sources of pollution, reviewing federal and state regulations and requirements, investigating wells that exhibit low levels of volatile organic compounds, and developing remediation programs for their removal.

Mr. Rhone participated in the adjudication of the Central Basin and was responsible for the verification and certification of over 200,000 acre-feet per year of groundwater pumping by over 600 pumpers to determine pumping rights by prescription. In 1987, designated as consulting engineer for the Water Replenishment District of Southern California and served for several months as its interim general manager. Estimated long-term movement of recharge water in Los Angeles County based on changes in ion concentrations.

### **State Water Projects**

Mr. Rhone worked on the feasibility study for the State Water Project (DWR Bulletin 78). In addition to route studies, he developed and prepared cost allocations of aqueduct facilities; the basic procedures became the basis for the payments under the water contracts. Beginning in 1960, he provided technical support to water contractors, including Castaic Lake Water Agency, San Geronio Pass Water Agency, Santa Barbara County Water Agency, County of San Luis Obispo, Semitropic Water Storage District, Wheeler Ridge-Maricopa Water Storage District, and the Coachella Valley and Desert Hot Springs areas, during water purchase contract negotiations with the Department of Water Resources. Emphasis was on cost allocation from the state to the local water contractor. Also prepared studies of urban and agricultural water demands, local water supply availability, requirements for supplemental water, local facilities required to treat and transport state water, cost estimates, and financial analysis.

**Castaic Lake Water Agency, California Department of Water Resources, Santa Clarita, CA** (1962 to 1982). As staff engineer, Mr. Rhone's efforts included project facility planning, water demand estimates, supply availability projections, water balance analysis siting study for a 50-million-gallon-per-day water treatment plant, required storage capacities, cost estimates, and financial and rate studies. He planned the primary distribution system for the agency taking advantage of the hydraulic head in Castaic Reservoir to minimize pumping by local purveyors. Prepared preliminary plans for the Earl Schmidt Treatment Plant and prepared cost estimate for a bond issue. Project was constructed within budget. Mr. Rhone managed the design of a 54-inch-diameter transmission pipeline with a pressure head of 200 pounds per square inch and prepared plans, sizing, right-of-way documents, and routing studies for the agency's distribution system pipelines, which ranged from 18 to 60 inches in diameter.

**Mojave Water Agency, Groundwater Banking, Apple Valley, CA** (2005). Mr. Rhone managed the conclusion of the Mojave Water Agency/MWD Conjunctive Use and Surplus Water Study. From this study, the plan was conceived to first spread State Project water in the previous Mojave Riverbed, adding wells near the river and pumping the now potable water and delivering by pipeline to the West, allowing the tighter regional aquifer system to recover. The plan became known as the R Cubed Plan.

### **Imperial and Coachella Valleys**

**Coachella Valley Water District, Coachella, CA** (2002). As project manager for a conjunctive use and surplus water storage program for the Coachella Valley funded by Coachella Valley Water District and the MWD, projects were developed to use surplus surface water to reduce groundwater overdraft in the Coachella Valley. In dry periods, Coachella Valley would increase groundwater use to make surface water available to others. Projects included spreading, increased irrigation, and golf course irrigation with canal water. These studies led to development of CVWD's Mid Valley Project, which delivers Colorado River water to the golf courses in lieu of their use of groundwater.

**Water Transfer Project, Imperial Irrigation District, El Centro, CA** (1986 to 1991). Mr. Rhone participated in the development of the water conservation and transfer program for the Imperial Irrigation District; performed the hydrologic and operational analysis to determine quantities of water to be conserved. An estimated 300,000 acre-feet of water can be saved from a combination of water conservation measures, thus reducing the demand on the Colorado River system. The conservation measures include canal lining, a

tailwater recovery system, reservoirs, and gate automation. Total construction amounted to \$125 million for the first-phase savings of 106,000 acre-feet. He managed the preparation of the Verification Plan, which included before-and-after ponding tests, measured reductions in water releases, analyzed data from the newly installed gaging stations, and monitored water savings.

**Water Use Litigation, Imperial Irrigation District, El Centro, CA** (1983 to 1990). Mr. Rhone prepared hydrologic data, reports, and analyses regarding water operations of Imperial Irrigation District in several litigations regarding water use and the Salton Sea. Studies included a water balance for 500,000 irrigated acres, a salt balance, cost estimates, a hydrologic balance of Salton Sea, and a groundwater flow analysis. Prepared exhibits and testified before the State Water Resources Control Board, California Superior Court, and federal District Court on the district's behalf.

**Trifolium Interceptor Project, Imperial Irrigation District, El Centro, CA** (1995). Mr. Rhone managed the design of a pumping plant, reservoir, and four-mile, 48-inch-diameter pipeline that is part of the Imperial Irrigation District's water conservation facilities.

### **Management of Groundwater and Water Systems**

**Foothill Agency Study, the Metropolitan Water District of Southern California, Los Angeles County, CA** (1996). Mr. Rhone prepared analyses and participated in studies of the need for additional pipeline facilities to serve the foothill area of its system, which includes the Raymond Basin and the San Gabriel and San Fernando Valleys.

**Claremont Water Resources Evaluations, City of Claremont, Claremont, CA** (1988). Mr. Rhone evaluated water resources management options; water supply sources included imported water from the State Water Project purchased through overlying agencies and a local groundwater supply from four unadjudicated basins within the city limits supplied by a private utility. Operations and rate studies were performed. Recommended future development strategy of 15,000 acre-feet of supplemental water and mitigation measures to remediate the rising groundwater problems in the city.

**Water Supply Studies, City of Glendale, Glendale, CA** (1964 to 1991). Performed water supply studies for the city of Glendale that included the development of blending procedures to mix high nitrate groundwater with imported MWD water for municipal supplies. Hydraulics and operations of the distribution system (seven pressure zones) were evaluated. An additional 3,000 acre-feet of groundwater pumped from four wells are blended to supplement the surface supply. Work also included an analysis of a power generation facility from the MWD supply service connection. Provided input on the draft of the water conservation ordinances during the 1991 drought.

**East Side Reservoir EIR, Metropolitan Water District, CA** (1991). In association with another firm, analyzed all pertinent hydrologic data on five major groundwater basins in southern California (Central and West, San Fernando, San Gabriel, Chino, and Orange basins) for the possible development of conjunctive use operations within the MWD of Southern California's five-county service area. The work was to look at alternatives to what was later called Diamond Valley Reservoir and the studies were needed by the EIR consultant.

**Cost Allocation Evaluation, Tri-City Municipal Water District, San Clemente, CA** (1994). Evaluated the cost allocation of a pipeline and other facilities regarding a disputed allocation; prepared reports and was deposed.

### **Water Rights**

**Antelope Valley Adjudication, Tejon Ranch, Antelope Valley, CA** (2005 to present). Mr. Rhone participated in the groundwater adjudication of the Antelope Valley and chaired a technical committee which compiled an extensive hydrologic report and a Statement of the Problem summarizing groundwater

conditions and water demands in the Antelope Valley. Mr. Rhone has prepared testimony for use in trial in the adjudication action.

**Lake Arrowhead Operation Studies, Lake Arrowhead Community Services District, CA** (1989 to 2006). Mr. Rhone performed operation studies of Lake Arrowhead, including the development of a simulation model, which can forecast lake levels, using 50-years of historical hydrological data. He prepared studies on hydrology of Lake Arrowhead and testified before State Water Resources Control Board on Pre-1914 Water Rights and proper operation of Lake Arrowhead to balance water supply and recreation needs.

**Water Rights Development, City of Pomona, CA** (1997). Mr. Rhone represented the City of Pomona in developing water rights, preparing technical analysis, and participating in negotiations that led to the stipulated Six Basins groundwater adjudication.

**Support Property Valuation, Metropolitan Water District, Riverside County, CA** (1994). For Diamond Valley Reservoir land and right-of-way acquisition Mr. Rhone provided land appraisers with opinions on water supply and sewage disposal comparisons between acquired parcels and parcels used for comparable values.

**Hydrologic Analysis, Fallbrook Water District, Northern San Diego County, CA** (1999). Mr. Rhone prepared a hydrologic analysis of moving a water right storage permit from a proposed Fallbrook Dam to Lake Skinner for storage by Fallbrook.

**Water Appraisals, Various Clients and Locations, CA** (various dates). Mr. Rhone prepared appraisals of water rights and water systems, including wells and canals, of the Anaheim Union Water Company, water rights in San Diego County for City of Escondido and for County Counsel, and water rights in Puente Basin for a golf course.

**Water System Appraisal, City of Santa Fe Springs, CA** (1968). Mr. Rhone prepared an appraisal of the Suburban Water System within Santa Fe Springs, conducted rate studies, and assisted in the purchase negotiations.

**Water Rights Valuation of Puddingstone Reservoir, County of Los Angeles, CA** (1968). Mr. Rhone valued the water rights tributary to the Puddingstone Reservoir.

**Water Rights Appraisals, City of Escondido, Escondido, CA** (1969). Mr. Rhone prepared appraisals of water rights and water facilities and also prepared a hydrologic analysis of natural flow in the San Luis Rey River system.

**Riparian Water Rights, Private Client, San Luis Obispo, CA** (1970). Mr. Rhone determined validity of claim of riparian rights in the Nacimiento Reservoir area through a detailed search of historic ownership.

# Michael Cornelius, PG, Principal Hydrogeologist



## Education

M.S., Civil Engineering, California State University at Sacramento, 1996  
B.S., Geology, University of California at Davis, 1989

## Registrations/Licenses

California, Professional Geologist, No. 6222

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## Background

Michael Cornelius is a professional geologist and civil engineer with 19 years of water resources consulting experience in California. His experience includes managing water resources planning and management projects, and groundwater investigations and modeling for local and regional projects.

Mr. Cornelius has applied his background in hydrogeology and civil engineering to water resources planning studies and groundwater investigations for projects throughout California. This includes managing water management projects such as integrated regional water management plans and groundwater management plans as well as completing technical analysis required to support these projects. He has also prepared and managed water supply feasibility studies and hydrogeologic investigations which include the development of groundwater monitoring programs and groundwater modeling. These projects have been used to improve understanding of water resources management options, support environmental documentation, provide litigation support, and improve regional water management. These projects typically included an extensive public outreach component with presentations to advisory and stakeholders groups, and coordinating with multi-discipline project teams.

## Experience

**Tracy Regional Groundwater Management Plan, City of Tracy, CA (2007):** Mr. Cornelius served as the project manager for the preparation of the Tracy Regional Groundwater Management Plan (GMP) for the Tracy Subbasin. The project prepared an SB1938-compliant GMP for the Tracy Subbasin, a historically agricultural area that is undergoing rapid urban development. The GMP focused on actions to maintain and improve groundwater quality which is the primary concern of the water users in the subbasin. The GMP included the preparation of the first hydrogeologic assessment of the entire basin, and a groundwater monitoring plan to allow monitoring of the proposed Basin Management Objectives. The GMP was prepared under the direction of the Groundwater Advisory Committee which consisted of local water purveyors, stakeholders, and local and state agencies.

**Yuba County Integrated Regional Water Management Plan (IRWMP), Yuba County Water Agency, Yuba County, CA (2008):** Mr. Cornelius is currently serving as the project manager responsible for the preparation of the Yuba County IRWMP to meet the requirements of the Integrated Regional Water Management Planning Act of 2002 (SB 1672). Yuba County has experienced several recent significant changes that affect water resources management that need to be addressed in regional and integrated basis. Some of these changes include changes in water demand, a proposed water rights settlement, accelerated urban growth, new water quality issues, and need for additional/improved flood protection. The Yuba County IRWMP incorporates the proposed Lower Yuba River Accord into the water supply reliability and ecosystem restoration strategies; and work from the Yuba-Feather River Supplemental Flood Control Program and recent improvements to the local levee system and into the flood management strategy. The IRWMP is being prepared under the direction of the Regional Water Management Group which consisted of over 20 agencies with land and water management responsibilities, local stakeholders and interested parties.

**Floodplain Mapping Project, California Department of Water Resources, CA (2007):** Mr. Cornelius was the GEI project manager responsible for leading the company's efforts to identify, map, and collect additional information on the existing levees and new levees in six counties in the Sacramento Valley. Mr. Cornelius served as the primary point of contact for daily project activities with the lead consulting firm (PBS&J), and directed GEI's data collection and GIS levee mapping efforts. The information collected was provided for inclusion in the California Levee Database.

**Paso Robles Groundwater Basin Water Banking Feasibility Study, San Luis Obispo County Flood Control and Water Conservation District, San Luis Obispo, CA (2008):** Mr. Cornelius is the project manager responsible for the preparation of this study to determine the feasibility of banking surplus State Water Project water in the Paso Robles Groundwater Basin in northern San Luis Obispo County. The initial project focus is to identify the technical (hydrogeologic and engineering) constraints which may limit water banking opportunities. Environmental considerations, groundwater management, and potential project partners and funding sources are also being identified. The project includes a significant stakeholder involvement component which includes numerous presentations the Groundwater Banking Subcommittee of the Water Resources Advisory Committee.

**Engineering Feasibility Report of the Preferred Alternative for the Water Supply Enhancement Project, Madera Irrigation District, Madera, CA (2005):** As project manager for the update of the Water Supply Enhancement Project for Madera Irrigation District, Mr. Cornelius was responsible for the refinement of the project configuration to recharge and store surface water from the San Joaquin and Fresno River at Madera Ranch. The updated project configuration required a reevaluation of the previously developed well field configuration, conveyance facilities, pump stations, and recharge basins. Project capital costs and O&M costs were updated to reflect the new project configuration and operations.

**Merced Basin Data Assessment Report, Merced Area Groundwater Pool Interests, Merced County, CA (2003):** Project manager for the Merced Area Groundwater Pool Interests' (MAGPI) Data Assessment Report. As part of this project, identified and collected available data to: describe the regional hydrogeologic setting of eastern Merced County; investigated potential conjunctive use opportunities in the Merced Groundwater Basin; and developed a data management plan for MAGPI members. Much of the information collected was later used to complete a conjunctive use assessment of three different potential recharge sites in the Merced Basin.

**Stony Creek Fan IGSM Development, Stony Creek Fan ISI Project Partners, Glenn, Tehama, and Colusa counties, CA (2003):** As part of the development of the Stony Creek Fan IGSM, identified the modeling goals and objectives and assessed the available data. Participated in several components of the development of the Stony Creek Fan IGSM, primarily focusing on the development of the conceptual model and the hydrogeologic analysis. The hydrogeologic analysis required significant effort and coordination with the Northern District of the Department of Water Resources to incorporate the most recent data into the model. This was necessary because recent hydrogeologic data had changed the understanding of the aquifer system in the northern Sacramento Valley. Coordinated efforts with the local project participants, other consultants working in the basin, and Northern District staff.

**Hydrologic Analysis for the Zone 40 Water Supply Master Plan Update, Sacramento County Department of Environmental Review and Assessment, Sacramento County, CA (2004):** Project manager for the hydrologic analysis completed using the Sacramento County IGSM. The analysis required refinement to the SCNIGSM to incorporate some Zone 40 WSMP specific features. This analysis included new current conditions (2000 level) and build-out (2030 level) conditions, based on the most recent land use data and including groundwater remediation pumping and reuse options. All of these updates were coordinated with the Water Forum staff for consistency with past analyses. Additional project coordination efforts included working with the client, its engineering consultant and environmental consultant, and the work being completed by the Freeport Water Authority. The hydrologic analysis was used

to support the environmental impact report and focused on the impacts to groundwater levels and flows in the Cosumnes River.

**Grant Application Preparation, Various Clients, CA (2001-2008):** Project manager responsible for the preparation of multiple grant applications for the Local Groundwater Management Assistance Grant Program (AB303), Proposition 50, Chapter 8 Integrated Regional Water Management Planning Grant, Proposition 50, Chapter 8 Integrated Regional Water Management Step 1 Implementation Grant, and Water Use Efficiency Grants.

**Upper Kings Basin Assessment Report, Upper Kings Basin ISI Participants, Fresno, Kings and Tulare counties, CA (2002):** Mr. Cornelius as project manager for the Basin Assessment Report for the Upper Kings Basin Integrated Storage Investigation Participants, which was funded by DWR. This project included and evaluation of available hydrologic, hydrogeologic data as well as existing and future land use and water use conditions to develop the initial BMOs for the basin. As the project manager, he made presentations to the group's Basin Advisory Panel, which consisted of water purveyors, land use planning agencies, and other stakeholders, and coordinated with DWR project managers.

**AB 3030 Groundwater Management Plan, Calaveras County Water District, Calaveras County, CA** Project manager responsible for the development of the technical information needed to develop an AB 3030 Groundwater Management Plan. The study area in Calaveras County is part of the Eastern San Joaquin County Groundwater Basin. This area has very little available hydrogeologic and water level data. Part of this effort included preparing a scope of work for developing additional hydrogeologic information under a Local Groundwater Assistance Grant Application (AB 303). The district was awarded a grant to develop this additional groundwater information.

**Camanche/Valley Springs Area Hydrogeologic Assessment, Calaveras County Water District, Camanche/Valley Springs, CA (2003):** Project manager for the first regional analysis of the hydrogeologic setting of the Camanche/Valley Springs area for Calaveras County Water District, which was funded by an AB 303 grant. This effort included a hydrogeologic assessment of the alluvial aquifer system and the development and initial sampling of a water level and water quality sampling program. A sampling protocol and data management system were developed for the wells included in the monitoring program. The information developed in this project is being used to update the district's groundwater management plan to meet the requirements of SB 1938.

**Regional Water Master Plan, American River Basin Cooperating Agencies, Sacramento County, CA (1998):** Project manager for the groundwater analysis of the American River Basin Cooperating Agencies (ARBCA) Regional Water Master Plan. Phase I of the project included assessing the current surface water and groundwater supplies and major water supply facilities. Phase II was an analysis of the impacts of the various water supply/conjunctive use alternatives on the North Sacramento Area groundwater basin, using the Sacramento County Integrated Groundwater Surface Water Model. The ARBCA agencies include water districts in the Sacramento Groundwater Authority.

**Modeling Goals and Objectives, Several DWR ISI Project Participants, Yolo, Tehama, Glenn, and Colusa counties, CA (2002):** Senior geologist as part of the work completed as the DWR Integrated Storage Investigation modeling contractor. Participated in the development of modeling goals and objectives for several ISI project participants including Yuba County Water Agency, Stony Creek Fan Project Participants, Pleasant Valley Groundwater Basin, and Yolo County. The modeling goals and objectives developed for the individual areas guided modeling efforts, based on the local program goals, physical environment, and available data. The analysis identified the criteria used to measure the achievement of objectives, the model capabilities necessary to meet the objectives, and the anticipated uses and limitations of various modeling platforms.

**IGSM Model Development, Various IGSM Project Applications, CA** (1996-2001): Project geologist for various groundwater modeling efforts using the Integrated Groundwater Surface Water Model (IGSM). These included IGSM applications in the following locations:

- Central Valley (CVGSM)
- Pajaro Valley (PVIIGSM)
- Salinas Valley (SVIGSM)
- Sacramento County (SCNIGSM)
- San Joaquin County (SJCIGSM)
- Alameda County

Collected and analyzed available regional geologic and hydrogeologic data to develop stratigraphic data for use in the various IGSM applications and was responsible for developing other IGSM data sets for land use, soils, and hydrologic conditions.

**American River Water Resources Investigation, U. S. Bureau of Reclamation and Sacramento Metropolitan Water Authority, Sacramento, Placer, San Joaquin, and Sutter counties, CA** (1998): Project engineer to redevelop and recalibrate the San Joaquin County IGSM as part of the American River Water Resources Investigation (ARWRI). The model was used in conjunction with the North American River IGSM and Sacramento County IGSM to estimate the 2030 water needs for the ARWRI and to evaluate the effects of water supply alternatives on the groundwater basins of Placer, Sutter, Sacramento, and San Joaquin Counties.

**Mokelumne Aquifer Recharge and Storage Project, East Bay Municipal Utility District, County, CA** (1998): Project engineer to link the Sacramento County and San Joaquin County IGSMs and analyze potential conjunctive use alternatives in the Eastern San Joaquin County Groundwater Basin. Both regional direct recharge and in-lieu recharge projects were analyzed to assess the potential for recharge and the associated impacts on stream-aquifer interaction.

**Sacramento Area Water Forum, City-County Office of Metropolitan Water Planning, Sacramento County, CA** (1996): Project engineer to support the completion of a groundwater analysis for the June 1996 Draft Solution, which utilized the North American River and Sacramento County IGSMs. The Sacramento Area Water Forum developed a Sacramento-area groundwater and surface water management plan to satisfy the co-equal objectives of meeting 2030 water demands while protecting the lower American River.

**Baseline Analysis—Salinas River Basin Management Plan, Monterey County Water Resources Agency, Monterey, CA** (1996): Project geologist responsible for refining the analysis of the baseline (1995 level of development) and alternatives (2030 level of development) in the Salinas Valley IGSM. This project analyzed the impacts of alternative water supply scenarios on groundwater conditions in an effort to reduce seawater intrusion into the northern Salinas Valley.

**Conjunctive Use Project Assessments, Various Clients, CA** (2002): Project manager for several pre-feasibility analyses of potential recharge projects for the Upper Kings Basin ISI Participants, Merced Area Groundwater Pool Interests (MAGPI), Pleasant Valley Water District (PVWD), and Calaveras County Water District. Developed conceptual designs for the recharge basin and project operations, reviewed the available water supply for recharge, and analyzed the local hydrogeologic conditions to determine the site's suitability. The groundwater impacts including the height and extent of the mound beneath the recharge basin were analyzed.

### Education

Ph.D., Biological and Agricultural Engineering, 1988, North Carolina State University, Raleigh  
M.S., Irrigation Engineering, 1982, Utah State University, Logan  
B.A., English Literature, 1973, University of North Carolina, Chapel Hill

### Registration

Licensed Professional Engineer, Illinois (00620-045998)

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### Background

David Miller has over 25 years of water resource engineering experience. He has worked throughout the United States and overseas with the past twelve years of his career focusing on California water resource issues. He has worked with both urban and agricultural districts in preparing successful grant applications for funding from a range of state and federal sources.

### Water Conservation and Water Use Planning

**Modesto Basin Groundwater Management Plan, California** (2004 to 2005). Dr. Miller participated in development of a groundwater management plan for a group of agencies overlying the Modesto Groundwater Basin including the Modesto Irrigation District, the City of Modesto, the Oakdale Irrigation District, the City of Oakdale, the City of Riverbank and Stanislaus County. The plan conforms with the requirements of the California Groundwater Management Planning Act (SB1938) and the Integrated Regional Water Management Planning Act (SB1672).

**CALFED Water Use Efficiency Monitoring and Verification Project, California** (2002 to 2004). In an effort to improve its procedures for project selection and for monitoring and verification of funded projects, the CALFED Water Use Efficiency Program requested that a group of protocols be developed that can be applied to monitoring and verification of agricultural and urban Water Use Efficiency projects. As project manager, Dr. Miller worked with NRCS, USBR, and CALFED staff to assist in development of monitoring and verification protocols for on-farm and district-level agricultural projects as well as for an urban Water Use Efficiency project.

**Sacramento Valley Integrated Regional Water Management Plan** (2006 to 2007). Dr. Miller was actively involved in development of the Sacramento Valley IRWMP and led development of the grant application that resulted in DWR funding to support implementation of key projects included in the plan. In this work, Dr. Miller participated extensively in meetings involving plan formulation, in technical analysis of individual projects presented in the plan, in economic analysis, and in detailed production of the plan and the supporting grant application.

**Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead** (2006-2007). Dr. Miller led the Water Delivery team responsible for modeling and analyzing operational alternatives considered in this important EIS. Work involved extensive modeling of Lake Powell and Lake Mead to determine how changes in operations would affect reservoir elevations and storage, releases, and hydrologic conditions downstream of Lake Mead. This modeling and analysis was used to examine how alternatives would alter environmental conditions, flood

response and water deliveries to the Lower Basin States and to Mexico. This work was completed on schedule enabling the ROD to be signed in December 2007.

**Semitropic Water Storage District Water Management Plan** (2005 to 2007). Dr. Miller was project manager who initiated preparation of an Agricultural Water Management Plan that portrays water management and water conservation initiatives undertaken by Semitropic. This plan describes the intricate water banking and conjunctive water management programs operated by the district as well as detailing the district's facilities and irrigation operations. The plan helped Semitropic comply with the requirements of California's Agricultural Water Suppliers Efficient Water Management Practices Act.

**Stevinson Water District Integrated Water Management Plan, California** (2004 to 2005). Participated in development of this integrated program for managing water at Stevenson Water District located at the confluence of the Merced and San Joaquin Rivers. Elements of this integrated plan included water recycling and conservation, salinity control, water table management, management of flood waters, creation of wetlands to control non-point source discharges and generation of water for transfers.

**Stevinson Water District Lateral Pipelining Program, California** (2004 to present). To support implementation of the Integrated Water Management Plan, Dr. Miller prepared two successful grant proposals to fund replacement of open ditch laterals with pipelines. Funding was received from the Bureau of Reclamation's 2025 Challenge Grant Program for FY 2004 and from the Department of Water Resource's Water Use Efficiency Program. Dr. Miller is project manager for both phases of construction. Environmental, permitting and design studies are complete and construction is expected to be completed in October of 2008.

**Los Angeles Department of Water and Power, California** (2005 to present). Prepared successful grant applications for two water conservation projects that were approved for funding from the Department of Water Resources Water Use Efficiency Program. One project involves installation of irrigation controllers and upgrading of irrigation facilities at city parks; the second project supports installation of irrigation controllers on large commercial and public landscaped areas within the city. Work is expected to begin on both projects in early 2006.

**Sonoma County Water Agency – Russian River GIS, California** (2002 to 2004). The Sonoma County Water Agency developed a GIS of the Russian River Basin to assist in carrying out its modeling and management responsibilities. Dr. Miller served as project manager for development of techniques to be used to estimate water consumption within the Russian River Basin. The project focused on estimation of actual water use by wine grapes. Because wine grapes are typically deficit-irrigated to improve quality and because cultural practices such as trellis configurations affect crop water demand, state-of-the-art techniques were applied to estimate water consumption from vineyards and riparian areas.

**Oakdale Irrigation District – Water Measurement Study, California** (2003). As Project Manager, assisted the Oakdale Irrigation District perform a study of options for developing a comprehensive program for measuring spillage, drainage and stormwater outflows from its service area. The measurement program will support strategic planning on how best to manage and utilize these outflows.

**Merced Irrigation District Water Management Plan, California** (2001 to 2003). Actively involved in preparation of a Water Management Plan to enable MID to comply with the requirements of California's Agricultural Water Suppliers Efficient Water Management Practices Act. Preparation of this plan involved development of an extensive water balance of the district's operations, generation of benefit/cost analyses of various water management options and production of the text of the plan, which describes the operation of the district and the opportunities for water conservation and conjunctive water management that were revealed through the water balance and benefit/cost analyses.

**City of Woodland Water Supply Project, California** (2001 to 2002). The City of Woodland investigated expanding their water supply by considering alternatives that include increased groundwater pumping and diversion of water from the Sacramento River. Among the alternatives considered were provisions for in-lieu recharge by agricultural users. This in-lieu recharge program would involve extending surface water conveyance systems so that Woodland could deliver surface water to irrigators currently reliant on groundwater. The reduction in groundwater pumping resulting from in-lieu recharge would mitigate the impacts of increased groundwater usage by the City.

**Benton Irrigation District Water Conservation Plan, Washington** (1998 to 1999). As Irrigation Engineer analyzed groundwater and water quality conditions in the area and development of measures to maintain groundwater levels and to enhance the quality of return flows discharged to the Yakima River. Responsible for developing these aspects of the Water Conservation Plan as well as for reviewing financing options available to the district for funding implementation of the recommended program.

**Turlock Irrigation District Water Management Plan, California** (1998 to 2000). Project manager for development of the Turlock Irrigation District Water Management Plan, a plan submitted by the district in accordance with its signatory status under the California Agricultural Water Suppliers Efficient Water Management Practices Act. The plan was the second plan to be endorsed by the Agricultural Water Management Council. Actively involved in development of a water budget and in formulation of alternatives and benefit/cost analyses presented in the Plan. Also assisted the district in preparing its update to the Water Management Plan that was submitted in late 2003.

### **Water Transfers**

**Metropolitan Water District of Southern California/Palo Verde Irrigation District Water Transfer** (2006 to present). MWD contracted with GEI to assist the district manage its water transfer program with PVID. Dr. Miller is managing development of a GIS/geodatabase that will enable program managers to track key indicators of program status, map enrolled areas and clearly and accurately present information on program activity to participating landowners and other stakeholders.

**Water Transfers Website Development Team (On Tap), California** (1999 to 2001). On Tap was an innovative joint effort by the Bureau of Reclamation, the California Department of Water Resources, and the California State Water Resources Control Board to fundamentally improve the process for preparing and reviewing water transfer applications. Dr. Miller worked with agency staff, website developers, and stakeholders to prepare On Tap for initial public launch in December of 2001. He also conducted extensive interviews with agency staff to develop and organize content materials for the website and associated databases.

### **Grant Preparation Experience**

**Placer County Water Agency, Urban Landscaping Demonstration Project** (2007). Dr. Miller led a team that produced the successful grant application for funding of a demonstration and education center to promote water conservation for landscaping in foothill areas of California. This project is being funded by the DWR's Water Use Efficiency program.

**City of Woodland, City Park Irrigation Project** (2007). The City of Woodland was awarded funding from the DWR Water Use Efficiency program to modernize and automate irrigation controls throughout the city's park system. Dr. Miller prepared this successful grant application in close coordination with the city's Department of Parks and Recreation.

**Placer County Water Agency, East Banvard Canal Lining Project** (2007). PCWA received funding from the DWR Water Use Efficiency project to line 2.5 miles of the East Banvard Canal which is used to convey water diverted from the American River to agricultural users and to urban users who apply

this water for landscape irrigation. Dr. Miller work closely with the agency's operations staff to prepare this successful grant application.

**Sacramento Valley Integrated Regional Water Management Implementation Grant (2006).**

The Sacramento Valley was awarded funding for 12 integrated projects through the two-step Integrated Regional Water Management grant program. Dr. Miller worked with managers and staff from urban and agricultural agencies throughout the Sacramento Valley to prioritize and integrate projects and led preparation of this comprehensive grant application.

**Stevinson Water District Lateral Pipelining Program, California (2004 to 2005).** To support implementation of the District's Integrated Water Management Plan, Dr. Miller prepared two successful grant proposals to fund replacement of open ditch laterals with pipelines. Funding was received from the Bureau of Reclamation's 2025 Challenge Grant Program for FY 2004 and from the Department of Water Resource's Water Use Efficiency Program for 2005. Work has been completed on the portion of the project funded by Reclamation and work on the DWR-funded portion of the project is expected to be completed in the fall of 2008.

**Los Angeles Department of Water and Power, California (2004 to 2006).** Prepared successful grant applications for three water conservation projects that were approved for funding from the DWR Water Use Efficiency Program. One project involved installation of irrigation controllers and upgrading of irrigation facilities at city parks; the second project supported installation of irrigation controllers on large commercial and public landscaped areas within the city, and the third project conserved water at industrial cooling towers.

Dr. Miller also prepared successful grant applications for a pilot water desalination project to be located adjacent to the City of Los Angeles' Scattergood Generating Facility. Funding for this project was received from the United States Bureau of Reclamation and from the California Department of Water Resources to implement innovative desalination technologies to produce process water for this seaside power plant. In addition, the grants fund an extensive testing program to maximize the knowledge gained from the project so that the technology may be adapted to other locations on the Pacific coast.

**Stevinson Water District Agricultural Drainage Control Project, California (2005).** Dr. Miller prepared a grant application requesting funding from the State Water Resources Control Board for development of an enhanced wetland system for storage, treatment and controlled release of agricultural drainage and storm water. This project is designed to assist in implementation of the salt and boron TMDL on the Lower San Joaquin River. This grant was fully funded and project construction is nearing completion.

**Oakdale Irrigation District – Tailwater Recovery Project (2005).** Prepared a successful grant application for funding of a tailwater recovery project from the Department of Water Resources Water Use Efficiency Program. This project is designed to conserve water and to control runoff from irrigated fields by capturing runoff from fields that participate in the project. Water collected in the tailwater recovery ponds will be recirculated back into the irrigation delivery system.

**Integrated Regional Water Management Planning Grants (2005).** Dr. Miller participated in preparation of three successful planning grants under the DWR Integrated Regional Water Management Grant Program. Dr. Miller provided input to the application submitted by the Northern California Water Agency for planning activities throughout the Sacramento Basin; and completed and submitted an application on behalf of the Upper Santa Ana Water Resources Association, a consortium of eight agencies in the Upper Santa Ana River Basin. In addition, Dr. Miller contributed to and completed the application submitted by a consortium of agencies in Kern County led by the Semitropic Water Storage District.

# Ronald A. Schnabel, PG, CHG, Principal Geologist



## Education

B.S., Geology, California State University, Sacramento, 1981

## Registration

Registered Geologist: Arizona No. 39745, California No. 7836, Oregon No. 2020, Washington No. 463  
Certified Hydrogeologist, California No. 867

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## Background

Mr. Schnabel has over 25 years of experience in geology and eight years of experience in hydrogeology. He has a thorough understanding of geology and hydrogeology and extensive knowledge and experience in GIS, statistics, surface water measurement methods, geophysics, and geologic computer modeling.

Mr. Schnabel's experience includes surface water and groundwater related investigations, reservoir seepage and dam safety investigations, artificial recharge projects for aquifer storage and recovery, and well design, construction and testing. His regulatory experience includes environmental permitting, plans of operation, CEQA, and compliance.

## Experience

**Evaluation of Groundwater Banking Project Impacts, Environmental Science Associates, Kern County, CA (2009).** Provided evaluation of groundwater impacts of the proposed West Kern Water District Groundwater Banking Project on groundwater levels and water quality for an EIR. Used the WinFlow modeling software to estimate drawdown impacts of different proposed well configurations, well pumping amounts, and recharge amounts and locations. Examined historic groundwater level and water quality data to estimate project impacts on baseline conditions, and characterized the groundwater basin. Reviewed pumping tests to obtain aquifer parameters for modeling.

**Santa Ana River Groundwater Recharge Optimization Study, San Bernardino Valley Water Conservation District and San Bernardino Valley Municipal Water District, San Bernardino, CA (2008).** Conducted recharge infiltration rate studies as part of a team to evaluate potential recharge and optimization for the upper Santa Ana River. Conducted falling-head and constant-rate recharge tests on existing recharge basins and help plan new facility locations.

**Groundwater Evaluation, Blackwell Land Company, Kern County, CA (2008).** Evaluated the quality and availability of groundwater for approximately 45 square miles of the Berrenda Mesa Water District in western Kern County. Examined historic groundwater levels and water quality. Characterized the groundwater basin and provided estimates of current groundwater quantities and quality. Performed pumping tests to obtain aquifer parameters and for water quality testing.

**Yokohl Ranch Groundwater Study, The Yokohl Ranch Company, Tulare County, CA (2008).** Evaluated the potential impacts to groundwater levels from the proposed development of a master planned community. Reviewed and worked with water quality consultants on the potential impacts of the planned community to groundwater quality.

**Semitropic Ridge Groundwater Quality Investigation, Semitropic Water Storage District, Wasco, CA (2007 to 2007).** Studied historical water uses, groundwater quality and production information, oil and gas production data, and well construction information to evaluate the nature and occurrence of high saline groundwater.

**Semitropic Groundwater Model, Semitropic Water Storage District, Wasco, CA** (2003 to 2007). Project Manager for the development of a groundwater model used to estimate groundwater-banking affects on adjacent water districts. The model required the development of an Access database capable of manipulating large amounts of data on a monthly basis.

**Ocotillo-Coyote Wells Hydrology and Groundwater Modeling Study, US Gypsum, Ocotillo, CA** (2002 to 2007). Reviewed available reports, well information, groundwater level and quality data, and conducted field work to generate a conceptual geologic model used for a groundwater model. The work was the major part of an EIR/EIS to estimate future groundwater conditions with increased production from the basin. Work included environmental documentation and responses to comments on the project's hydrogeologic affects.

**Groundwater Banking Investigation, Kern-Tulare & Rag Gulch Water Districts, Kern County, CA** (2006 to 2007). Conducted groundwater recharge basin tests to estimate recharge rates for a proposed groundwater banking operation. Drilled exploratory borehole to determine the viability of conducting a groundwater storage and recovery program.

**2005 Groundwater Monitoring Improvement Project, Semitropic Water Storage District, Wasco, CA** (2005 to 2007). As the Project Manager, equipped 21 wells with continuous groundwater level measuring devices (data loggers), and conducted two aquifer tests to estimate aquifer parameters within unconfined and semi-confined aquifers.

**Centennial Hydrogeologic Investigation, Centennial Founders LLC, Los Angeles and Kern Counties, CA** (2003 to 2006). Conducted an extensive hydrogeologic study that included drilling and installing eight monitoring wells, designing and constructing a groundwater recharge test basin, and estimating the safe groundwater yield for local groundwater supply. This investigation was part for the water assessment study for a major planned community.

**Groundwater Storage and Recovery Pilot Project in White Wolf Basin, Wheeler Ridge-Maricopa Water Storage District, Kern County, CA** (2003 to 2005). Conducted a detailed hydrogeologic investigation on recharging State Water Project water in the White Wolf Basin for groundwater banking. The investigation included field work and reviewing reports, well construction information, groundwater quality and level data, oil and gas well information, and geophysical investigations. The investigation included surface recharge pond tests, design and construction of monitoring wells, water quality sampling, and conducting three aquifer pumping tests to estimate storage aquifer parameters.

**High Desert Power Project, High Desert Power Project LLC, San Bernardino County, CA** (2003 to 2004). Collected and analyzed surface and groundwater quality data and incorporated USEPA statistical guidance procedures to prepare the drafts "Statistical Analysis of Background Water Quality Data and Proposed Approach to Determine SWP Water Treatment Levels" "Sampling and Analysis Plan" (SAP) and the "Draft Treatment and Monitoring Plan" for groundwater banking operations.

**Groundwater Recharge Pilot Project, U.S. Bureau of Reclamation and Centennial Founders LLC, Los Angeles County, CA** (2005). Designed and constructed a test pilot recharge basin to estimate recharge rates for the proposed Centennial groundwater banking operation. This investigation was part of a larger groundwater investigation conducted by GEI for water supply assessment.

**Recharge Basin Design, Tejon Ranch Corporation, Tejon, CA** (2005). Worked with client and GEI design team to design and build a successful operating recharge facility.

**Groundwater Storage and Recovery Pilot Project in White Wolf Basin, Wheeler Ridge-Maricopa Water Storage District, Kern County, CA** (2003 to 2005). Performed well pilot hole

lithologic logging and sampling, oversaw isolation zone water quality sampling, and performed well design and construction management on four 1,000 to 1,200 foot deep monitoring wells, and one 1,800 gpm production well.

**Technical Study to Evaluate a Potential Long-Term Water Management Program Between The Mojave Water Agency and Metropolitan Water District, Mojave Water Agency, Mojave, CA (2004).** This investigation required engineering and hydrogeology studies on many different groundwater storage alternatives. Work included reviewing extensive historical literature, oil and gas logs, water well driller reports, boring logs, Mojave River stream gage data, aerial photographs, well hydrographs, and groundwater quality data to estimate the viability of groundwater storage at each alternative location.

## FEE SCHEDULE

| <u>Personnel Category</u>                        | <u>Hourly Billing Rate</u><br><u>\$ per hour</u> |
|--|--|
| Staff Professional – Grade 1                     | \$ 94  |
| Staff Professional – Grade 2                     | \$ 104   |
| Project Professional – Grade 3                   | \$ 114   |
| Project Professional – Grade 4                   | \$ 127   |
| Senior Professional – Grade 5                    | \$ 151   |
| Senior Professional – Grade 6                    | \$ 172   |
| Senior Professional – Grade 7                    | \$ 204   |
| Senior Consultant – Grade 8                      | \$ 229   |
| Senior Consultant – Grade 9                      | \$ 282   |
| Senior Principal – Grade 10                      | \$ 282   |
| -----  |  |
| Senior CADD Drafter and Designer                 | \$ 114   |
| CADD Drafter / Designer and Senior Technician    | \$ 104   |
| Technician, Word Processor, Administrative Staff | \$ 84  |
| <u>Office Aide</u>                               | <u>\$ 67</u>                                     |

These rates are billed for both regular and overtime hours in all categories.

Rates will increase up to 5% annually, at GEI's option, for all contracts that extend beyond twelve (12) months after the date of the contract.

## OTHER PROJECT COSTS

**Subconsultants, Subcontractors and Other Project Expenses** - All costs for subconsultants, subcontractors and other project expenses will be billed at cost plus a 15% service charge. Examples of such expenses ordinarily charged to projects are subcontractors; subconsultants: chemical laboratory charges; rented or leased field and laboratory equipment; outside printing and reproduction; communications and mailing charges; reproduction expenses; shipping costs for samples and equipment; disposal of samples; rental vehicles; fares for travel on public carriers; special fees for insurance certificates, permits, licenses, etc.; fees for restoration of paving or land due to field exploration, etc.; state sales and use taxes and state taxes on GEI fees.

**Billing Rates for CADD and Specialized Technical Computer Programs** – Computer usage for CADD and specialized technical programs will be billed at a flat rate of \$10.00 per hour in addition to the labor required to operate the computer.

**Field and Laboratory Equipment Billing Rates** – GEI-owned field and laboratory equipment such as pumps, sampling equipment, monitoring instrumentation, field density equipment, portable gas chromatographs, etc. will be billed at a daily, weekly, or monthly rate, as needed for the project. Expendable supplies are billed at a unit rate.

**Transportation and Subsistence** - Automobile expenses for GEI or employee owned cars will be charged at the rate per mile set by the Internal Revenue Service for tax purposes plus tolls and parking charges. When required for a project, four-wheel drive vehicles owned by GEI or the employees will be billed at a daily rate appropriate for those vehicles. Per diem living costs for personnel on assignment away from their home office will be negotiated for each project.

## PAYMENT TERMS

Invoices will be submitted monthly or upon completion of a specified scope of service, as described in the accompanying contract (proposal, project, or agreement document that is signed and dated by GEI and CLIENT).

Payment is due upon receipt of the invoice. Interest will accrue at the rate of 1% of the invoice amount per month, for amounts that remain unpaid more than 30 days after the invoice date. All payments will be made by either check or electronic transfer to the address specified by GEI and will include reference to GEI's invoice number.



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July 18, 2011

Director Lyle Brecht  
Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, CA 92004

**Subject: Proposal for Assistance in Developing a Planning Grant Application  
Proposal to DWR-IRWM for the Borrego Water District (BWD)**

Dear Director Brecht:

RMC Water and Environment (RMC) is pleased to provide our proposal to prepare a Proposition 84 IRWM Planning Grant Application for the Anza Borrego Desert (ABD) IRWM Region.

To be successful, your application will need to articulate the following:

1. A clear groundwater management approach
2. A transparent stakeholder engagement process
3. A detailed and cohesive grant application

RMC is a water resource planning leader in California and is also recognized as the most successful IRWM consultant in the State. As a consultant for many IRWM regions in Southern California, (San Diego, Coachella, Los Angeles, and others) we have local expertise available to serve BWD. We have first hand experience with navigating the issues that ABD needs to address (groundwater management, alternative supplies, stakeholder involvement, and funding). RMC has the proven experience necessary to help the ABD IRWM Region be successful in the Planning Grant Application - Round 2 grant cycle.

RMC also has the technical depth and resources to assist the ABD IRWM Region in:

- Completing an IRWM Plan
- Preparing an Implementation Grant application
- Performing groundwater management planning and modeling

Thank you for the opportunity to present our proposal. I am committed to serve as your main point of contact. Please call me at 858-875-7400 if you have any questions regarding our qualifications or approach.

Sincerely,

Tish Berge, P.E., MBA - Project Manager  
tberge@rmcwater.com



***In 2011, RMC successfully secured funding for 100% of Planning Grant Applications we prepared for Proposition 84***

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***Innovative Solutions for  
Water and the Environment***

# Assistance in Developing a Planning Grant Application Proposal to DWR-IRWM for the Borrego Water District (BWD)

## Section 1: RMC's Approach

RMC understands that the Anza Borrego Desert (ABD) Integrated Regional Water Management (IRWM) Region faces specific challenges to be addressed in order to be successful with the next Planning Grant application. These challenges include:

- Comprehensive understanding of the state of the basin, to the extent that scientific information allows
- Robust stakeholder process to engage the interested parties in the planning process
- Organic communication with the California Department of Water Resources (DWR) to ensure that the DWR guidelines are complied with, and reasonable expectations of DWR staff are met
- Cooperation with three IRWM Regions neighboring the ABD IRWM Region to ensure that appropriate coordination is in place among the four regions

A successful Planning Grant application for the ABD IRWM Region must:

- Have a clear groundwater management approach
- Provide for a transparent stakeholder engagement process
- Be detailed and cohesive to receive a high score

### PROPOSAL CONTENTS

1. RMC's Approach
2. Schedule
3. RMC Experience
4. Team Experience
5. Proposed Level of Effort
6. Willingness to Provide Further Technical Assistance

### RMC-PREPARED GROUNDWATER MANAGEMENT PLANS

- Hemet-San Jacinto Groundwater Management Area, Basin Assessment Report
- Imperial County Groundwater Studies
- Chowchilla Groundwater Basin Assessment
- Upper Kings Basin Integrated Regional Water Management Plan and Basin Assessment Report
- Chino Basin Groundwater Management Study

### ABD IRWM Plan Must Have Clear Groundwater Management Approach

Several groundwater studies and assessments have been completed within the ABD IRWM Region, including the 2002 Groundwater Management Plan and the 2009 Integrated Water Resources Management Plan. The 2009 Integrated Water Resources Management Plan does build upon the information prepared for the 2002 Groundwater Management Plan, but some of the assumptions are different. In order for the Planning Grant application to be successful, it must outline a method for the IRWM Plan to have a clear groundwater management approach.

In order to achieve this, RMC will develop a robust stakeholder-driven approach to groundwater management. We will work with various local and state agencies to ensure that the management of groundwater is addressed at the local level with consideration of California guidelines and procedures. This approach has resulted in well-developed management plans that meet the local goals and

objectives and comply with the State’s IRWM and groundwater management plan guidelines. This approach has resulted in successful state and federal grant funding for our clients throughout California. Our approach is based on:

1. Robust Technical Analysis
2. Sound Legal/Institutional/Financial Evaluation

### **Robust Technical Analysis**

The major issue that needs to be addressed and resolved as part of ABD IRWM Plan development is the definition and quantification of groundwater issues. RMC will work with the stakeholder group to develop a sound approach to technical analysis.

The Borrego Valley area has experienced significant groundwater overdraft problems. There are various estimates of land and water use conditions for the different sectors, as well as various estimates of the overdraft in the basin. RMC will compile and assess available land and water use data and groundwater level information. As part of this process, RMC will evaluate data gaps and quality of data, and present them to the stakeholder group to aid in development of a consensus on the long-term and short-term trends and directions in groundwater conditions. RMC will also review the area’s published work and documents to ensure that past investments by various agencies are used in the right context to develop consensus in a transparent and open environment.

The ultimate goal of the technical review work will be to achieve consensus among stakeholders with regards to current and future projected land use assumptions, water demands, and basin characteristics.

As part of RMC’s review process, we will work with the stakeholder group and BWD to understand the background information that led to the 2002 Groundwater Management Plan and the 2009 Integrated Water Resources Management Plan, in order to identify common points and information and to reconcile conflicting information to the extent possible. Where the conflicting data and information cannot be resolved, RMC will work with the stakeholder group and BWD staff to develop the appropriate conclusions in the right context.

This analysis will involve a formal review of existing and anticipated planning documents:

- Existing: 2002 Groundwater Management Plan
- Existing: 2009 Integrated Water Resources Management
- Anticipated: 2011 United States Geological Survey (USGS) Evaluation of Groundwater Conditions and Land Subsidence in the Borrego Valley
- Anticipated: 2011 Basin Storage Feasibility Study
- Anticipated: San Diego County General Plan Update
- Anticipated: 2013 Bureau of Reclamation and BWD Southeast CA Regional Basin Study

RMC’s technical review work will be performed in an open and transparent environment with stakeholder involvement. The ultimate goal of the technical review will be to achieve consensus among stakeholders with regards to current and future projected land use assumptions, water demands, and basin characteristics. We propose calling this the “State of the Basin”, as it will document the past, present, and the range of the foreseeable future conditions, to the extent that science and knowledge allows.

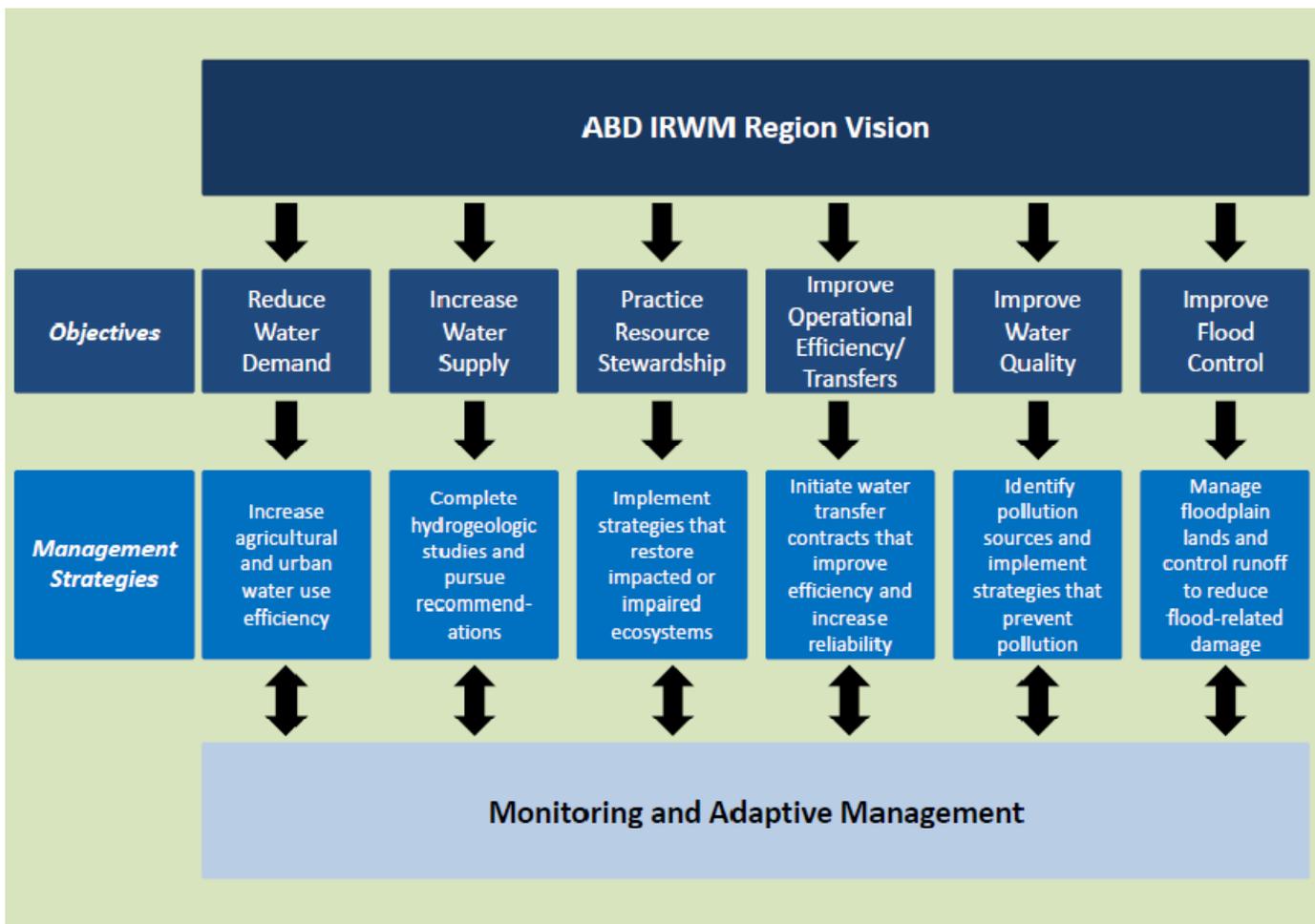
### **Sound Legal/Institutional/Financial Evaluation**

Following the “State of the Basin” review process, RMC will work with the stakeholder group to develop alternatives to address groundwater overdraft in the Borrego Valley. This step will involve working with stakeholders to first

develop a sound legal, institutional, and financial evaluation (a formal prioritization process) that will be used to rank each project alternative. This process will take place in accordance with the DWR IRWM Guidelines, and will therefore focus on meeting regional objectives that are previously established by the stakeholder group. Once a prioritization process is established, RMC will work with stakeholders to develop, analyze, and prioritize a reasonable set of alternatives to address groundwater overdraft.

RMC has developed a robust process for prioritization, which has been used successfully in other IRWM regions. This process is guided by the vision and goals for regional water management, and driven by a region’s specific objectives. The prioritization process then needs to be monitored by specific performance measures with appropriate adaptive techniques so that it can lead to a long-term management strategy.

**RMC’s Prioritization Process Will Lead to Successful IRWM Plan Development**



The process of developing alternatives to address groundwater overdraft could potentially require cooperation with groups outside of the ABD IRWM Region. Alternatives could include agencies outside of the ABD IRWM Region; one example of this would be a conjunctive use project to store water on a seasonal basis. As such, the stakeholder group will include interregional stakeholders from neighboring IRWM regions such as the Coachella Valley IRWM Region, the Imperial IRWM Region, and potentially the San Diego IRWM Region.

RMC’s team has a demonstrated ability to corral divergent interests into developing win-win strategies for funding. In the San Diego Funding Area, RMC worked with the three IRWM Regions (San Diego, Upper Santa Margarita, and South Orange County) to establish the Tri-County Funding Area Coordinating Committee (Tri-County FACC). The RMC team authored a formal Memorandum of Understanding that establishes a fair and equitable funding allocation for the Proposition 84 implementation monies and provides a forum for interregional project coordination. This Tri-County MOU and joint project planning removes the competition from the grant funding process and allows the regions to work together toward solutions to historical conflicts.

### **Transparent Outreach Process Will Turn Participants into Stakeholders**

A strategic stakeholder approach is critical to garnering support for regional initiatives, including an IRWM Plan. The 2002 Groundwater Management Plan went through a public process that included discussion at BWD Board of Directors meetings, formation of a Technical Committee, and formation of a Policy Committee. The 2009 Integrated Water Resources Management Plan identified a public process that included addition of a standing agenda item (Groundwater Management) to the monthly BWD Board of Directors meetings, appointment of the Groundwater Management Committee, and appointment of the Conservation Committee.

RMC will secure win-win partnerships with neighboring regions.

DWR expressed concern in ABD’s IRWM Planning Grant-Round 1 evaluation about the approach to disadvantaged community (DAC) involvement. Specifically, the proposed Planning Grant work plan did not “provide adequate time for stakeholder comments and integration of any changes into the final plan.” As a result, a clear stakeholder

process that provides for stakeholder input, not just stakeholder education, will be critical to the success of the Planning Grant Application. RMC will address this critical need through the stakeholder process identified for the “State of the Basin” and the formal prioritization process, along with regularly scheduled stakeholder meetings with a variety of input opportunities, such as open house, group discussion, and break-out group formats.

An effective stakeholder approach incorporates stakeholder input, not just education and outreach.

Through our work with many IRWM regions, RMC has been able to work with stakeholders to foster understanding and improve trust. Some of these regions had stakeholders who have been in conflict and litigation with one another for years. For example, in the Coachella Valley IRWM Region neighboring the ABD IRWM Region, RMC helped bring the five major water providers together, after years of conflict between them, to develop and adopt an IRWM Plan. Strategies we used included keeping the water agencies focused on the tasks at hand and including other parties in the process (e.g. DACs, tribal representatives and local cities) to increase transparency.

### **A Well-Drafted Grant Application will Increase Potential for Funding**

RMC reviewed DWR’s evaluation for the ABD IRWM Planning Grant-Round 1 Application submittal and had conversations with Anna Aljabiry, the DWR representative for the ABD IRWM Region. In order to be successful in Round 2, the Planning Grant Application must have a clearly drafted and tight-knit work plan, budget and schedule. Although these are stand-alone attachments, RMC understands that DWR expects these attachments to clearly relate to and build upon one another. RMC’s approach to these key sections, which total 35 out of 55 possible points, is to develop a plan that is clearly articulated and cohesive throughout these sections.

The ABD IRWM Planning Grant-Round 1 Application identified several objectives for the region. In order to accomplish these goals, the Planning Grant-Round 2 Application must clearly identify:

- The need to address these critical water resource management challenges

- The stakeholder involvement process that will be used to ensure regional consensus on solutions identified to address these challenges
- The detailed work plan, schedule, and budget that will be adhered to in order to effectively accomplish these goals

As a team knowledgeable about DWR’s IRWM grant program and application review, we have developed the following strategy to develop a Planning Grant-Round 2 Application that will achieve successful funding.

**RMC’s Approach to Increasing DWR’s Score on  
 ABD IRWM Planning Grant-Round 2 Application**

| Proposal Section           | Round 1 Score | RMC’s Proposed Improvements   | Anticipated Round 2 Score |
|----------------------------|---------------|---|---------------------------|
| <b>Work Plan</b>           | 9             | <i>Background</i> <ul style="list-style-type: none"> <li>• DWR indicated that this section was complete and well written, but there are some discussions that could be expanded:               <ul style="list-style-type: none"> <li>○ Stakeholder identification and outreach (past and planned)</li> <li>○ Issues and conflicts; align with any special studies in the work plan</li> <li>○ Data collection; include list of background studies used as basis for draft Plan</li> </ul> </li> <li>• Add description of how the proposed work plan will result in an IRWM Plan that meets DWR’s Plan Standards; justify importance of including all tasks and studies</li> </ul> <i>Work Plan</i> <ul style="list-style-type: none"> <li>• Clarify work plan tasks dedicated to updating Plan sections vs. other activities</li> <li>• Add list of deliverables for each task; detailed description of proposed content for each IRWM Plan section; and detail on proposed structure and functionality of data management system</li> <li>• Revise Task 13 to clarify what 2008-2010 activities are proposed for reimbursement and how those activities contributed to the IRWM Plan</li> </ul> | 15                        |
| <b>DAC Involvement</b>     | 8             | <ul style="list-style-type: none"> <li>• Expand discussion of DACs inclusion in the planning process (past and planned)</li> <li>• Include map of identified DACs</li> </ul>  | 10                        |
| <b>Schedule</b>            | 6             | <ul style="list-style-type: none"> <li>• Revise schedule consistent with timeline for IRWM planning tasks</li> <li>• Ensure that production of final IRWM Plan is completed as very last task</li> <li>• Ensure adequate time for stakeholder review and input in final IRWM Plan</li> </ul>  | 10                        |
| <b>Budget</b>              | 10            | <ul style="list-style-type: none"> <li>• Add detailed budget breakdown for funding match costs (both monies and in-kind services); identify agency/organization, billing rate, and hours spent</li> <li>• Add detailed budget breakdown for grant request; identify agency/organization, billing rate, and hours spent</li> </ul>   | 10                        |
| <b>Program Preferences</b> | 3             | <ul style="list-style-type: none"> <li>• Add detailed description of how the region’s IRWM Plan will contribute to 6 of DWR’s Program Preferences:               <ul style="list-style-type: none"> <li>○ Regional program</li> <li>○ Effectively integrates water management programs</li> <li>○ Effectively resolves water-related conflicts</li> <li>○ Addresses critical water supply/quality in DACs</li> <li>○ Effectively integrates water and land use planning</li> <li>○ Address Statewide Priorities</li> </ul> </li> </ul>  | 6                         |
| <b>Total</b>               | <b>36</b>     |   | <b>51</b>                 |

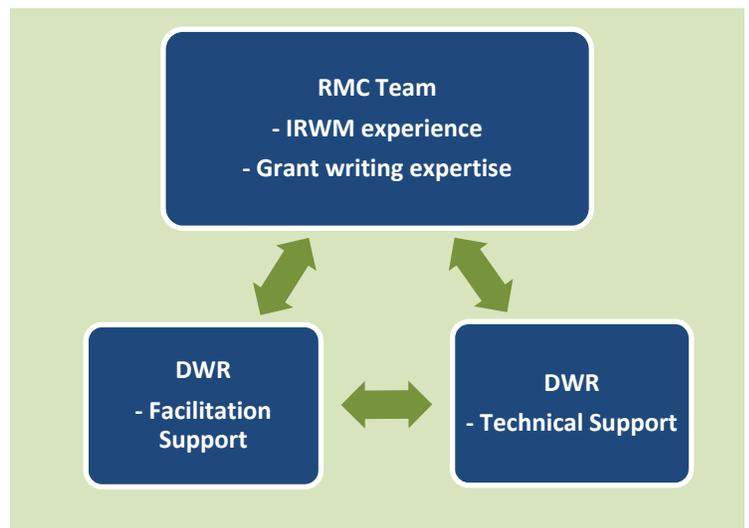
With our thorough IRWM plan development and grant application strategy, RMC has brought success with the IRWM program to regions that have tried unsuccessfully to secure grants from DWR’s program. The San Diego IRWM Region hired RMC after their previous consultant had developed a draft IRWM Plan but was unsuccessful in their planning grant application. Meanwhile, the Antelope Valley IRWM Region hired RMC to pursue planning grant funding after their previous consultant was unsuccessful. In both cases, RMC prepared successful planning grant applications worth \$1.5 million.

**Leveraging DWR Support will Lead to Cost Efficiencies**

DWR has identified the ABD IRWM Region as a region with significant water resource challenges, who is in need of support. As a result, RMC understands that the BWD has access to facilitation services through DWR and the Center for Collaborative Policy (CCP) to perform in-person interviews with key stakeholders and ABD Regional Water Management Group (RWMG) members. RMC plans to leverage and supplement this support to provide for a robust stakeholder engagement process.

We also understand that DWR is planning to provide a certain level of technical services support to the ABD IRWM through their Statewide Technical Services contractor. In this case, it happens that this contractor is RMC, and Dr. Ali Taghavi of RMC will be working with the ABD RWMG to define the scope and oversee the technical work. Ali will be working very closely with our proposed team to ensure that the technical work addresses the required information for the planning grant application. In addition, RMC will leverage this support and use the technical knowledge gained through development of the technical memorandum for the region’s technical support assessment.

Our team members are already working to develop an assessment of the technical support needed to develop an ABD IRWM Plan that can be supported and funded by the DWR. We understand the technical issues behind the development of the 2002 Groundwater Management Plan and 2009 Integrated Water Resources Management Plan and have developed an approach to bringing these two plans into alignment in the Planning Grant Application. As a result, we will provide BWD with a comprehensive, cost-effective team who is already engaged in the issues.



## Section 2: Schedule

RMC anticipates that the schedule for preparing the grant proposal will cover five (5) months. Our recent conversations with DWR staff have indicated that a Planning Grant-Round 2 draft solicitation package will likely be released in late August, with a 30-day public review period, and final solicitation in package in October 2011. The applications would then be due to DWR in hard copy and online in December 2011. Our schedule provides for effort through completion and submittal of the Planning Grant Application; however, we recommend continued RWMG and stakeholder meetings between December, when the Planning Grant Application is submitted, and April, when DWR agreements are anticipated.

### RMC’s Schedule Provides for Stakeholder Engagement and Coordination with DWR

|  | August | September | October | November | December |
|--|--------|-----------|---------|----------|----------|
| <b>Anticipated IRWM Grant Program Timeline</b> |        |           |         |          |          |
| Draft Planning Grant PSP                       |        |           |         |          |          |
| Final Planning Grant PSP                       |        |           |         |          |          |
| Planning Grant Proposal Due                    |        |           |         |          |          |
| <b>Proposed ABD Schedule</b>                   |        |           |         |          |          |
| ABD RWMG Meetings                              |        |           |         |          |          |
| Stakeholder Workshops                          |        |           |         |          |          |
| Coordination with DWR                          |        |           |         |          |          |
| Draft Planning Grant to ABD                    |        |           |         |          |          |
| Final Planning Grant Complete                  |        |           |         |          |          |

RMC has prepared a number of Planning Grant applications and this schedule will result in a well thought through Planning Grant application.



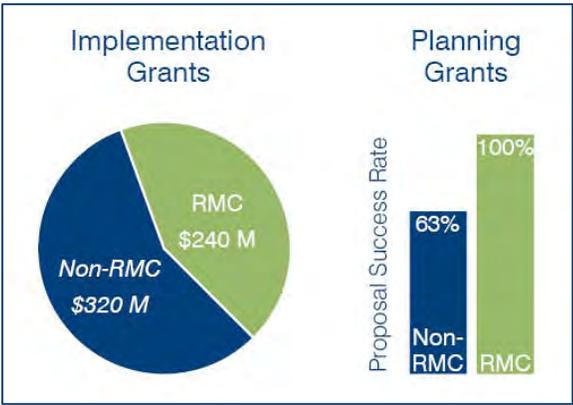
### Section 3: RMC Experience

RMC has been the recognized statewide leader for IRWM program management and plan development since 2003, collaborating with DWR and local agencies to develop and foster the IRWM concept. RMC was a partner in helping multiple IRWM regions achieve IRWM-related goals, including the preparation of first time IRWM Plans and positioning for and securing planning and implementation grants.

RMC supports regions by working with stakeholders in articulating priorities, reviewing and selecting projects, and facilitating integration. As a result, we have a track record of success in helping regions obtain the funding necessary to realize their goals.

In 2011, RMC successfully secured grant funding for 100% of Planning

Grant-Round 1 applications we prepared, which was over \$5.7 million in funding through the Proposition 84 Planning Grant Program for 7 different RWMGs throughout the state. In 2010, RMC worked with the Coachella Valley RWMG to develop and adopt their first IRWM Plan that complies with DWR’s current IRWM Plan Standards (August 2010).



RMC can provide ABD IRWM Region with a full range of IRWM services developed and proven in other regions.

| Service                                | Example Experience   |
|--|--|
| IRWM Program Guidance                  | <b>Coachella Valley:</b> Completed governance, plan, DAC and tribal participation, project database, prioritization, and Prop 84 applications in 9 months  |
| Project Development and Prioritization | <b>San Francisco Bay Area:</b> Developed flexible project prioritization approach to respond to a variety of funding opportunities with different objectives                                       |
| Database and Tool Development          | <b>Upper King’s:</b> Developed Integrated Water Resources Model, Data Management System and Project Database to develop, collect and prioritize projects, as well as the developing the IRWM Plan. |
| Stakeholder/Public Outreach            | <b>San Diego:</b> Facilitated large Regional Advisory Committee to guide the process through open, public meetings including DAC and tribal outreach   |
| Grant Applications                     | <b>All:</b> Prepared 21 applications securing \$355 million in planning and implementation funding   |
| Plan Development and Target Setting    | <b>Santa Barbara:</b> Successfully developed initial IRWM Plan as a result of well facilitated process to integrated multiple stakeholder interests and goals.                                     |

**RMC UNDERSTANDS THE  
FUNDING PROCESS**

- 80+ Funding applications
- 38 Clients
- 12 Funding programs
- 5 Funding agencies
- \$464+ million obtained

RMC’s unique ability to manage the entire funding process and our capability to prepare successful grant applications has, over the last 10 years, generated over \$464 million in grants and loans for water resource development, recycled water, and watershed management projects. Our ability to provide effective and fruitful funding support for our clients is perhaps best illustrated by our current success in securing funding through the Proposition 84 program.

In the most recent grant application cycle, RMC prepared seven successful planning grant applications totaling \$5 million for the clients listed below.

**Successful Proposition 84 Planning Grant Applications  
Prepared by RMC**

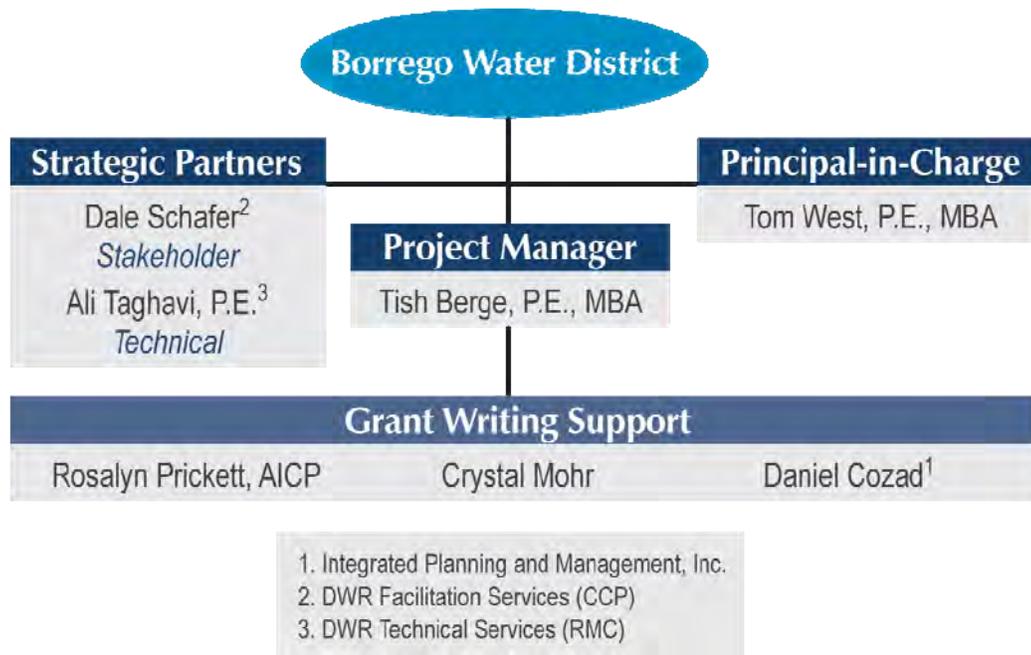
| Region                         | Planning Grant Draft Funding Recommendation | Score |
|--------------------------------|---|-------|
| Antelope Valley                | \$472,919                                   | 52    |
| San Diego                      | \$1,000,000                                 | 51    |
| Coachella                      | \$1,000,000                                 | 51    |
| Pajaro Valley                  | \$996,170                                   | 50    |
| Bay Area                       | \$842,556                                   | 43    |
| Mokelumne / Amador / Calaveras | \$250,909                                   | 41    |
| East Contra Costa County       | \$449,843                                   | 41    |
| <b>TOTAL</b>                   | <b>\$5,012,397</b>                          |       |

## Section 4: Team Experience

In order to prepare a successful IRWM Planning Grant application, the ABD RWMG needs a consultant team that has:

- Specific IRWM Planning Grant application experience
- Depth of resources to be able to manage the stakeholder process and understand the technical issues

RMC understands the needs of the ABD IRWM Region and has put together a team with proven success in preparing and managing complicated grant applications such as the IRWM Planning Grant Proposal. Together, the team has worked together on multiple successful grant applications for clients and regions in Southern California. Below is a brief summary of the RMC team members.



### Tish Berge, P.E., MBA (RMC) – Project Manager

Tish Berge will serve as the Project Manager, responsible for the day-to-day execution of the grant application. Tish is a project manager with experience in team-based projects and presenting technical information and recommendations to decision makers and industry groups. In addition to her consulting engineering experience, Tish has worked in the public sector as Assistant General Manager for the San Elijo Joint Powers Authority, where she oversaw operations, maintenance, and the laboratory.

Tish has managed grant applications for the City of Redwood City, the City of Oceanside, and the North County Regional Recycled Water Group. Tish also managed the economic analyses for the following funding pursuits:

- San Diego IRWM Proposition 84 Implementation Grant Application (DWR)
- Coachella Valley IRWM Proposition 84 Implementation Grant Application (DWR)
- Greater Los Angeles IRWM Proposition 84 Implementation Grant Application (DWR)
- Redwood City Proposition 1E Grant Application (DWR)
- City of Escondido Proposition 1E Grant Application (DWR)
- City of San Marcos Proposition 1E Grant Application (DWR)

- Santa Clara Valley Water District Proposition 1E Grant Application (DWR)
- Placer County Flood Control & Water Conservation District Proposition 1E Grant Application (DWR)
- City of Sacramento Proposition 1E Grant Application (DWR)
- Sacramento Area Flood Control Agency Proposition 1E Grant Application (DWR)

### **Tom West, P.E., MBA (RMC) – Principal-in-Charge**

With IRWMP experience stretching back to its inception, Tom has played a central role in organizing planning efforts, developing IRWM Plans, and securing funding for IRWM regions. He played a central role in organizing five IRWM planning efforts (North Santa Monica Bay, South Bay, Greater Los Angeles, San Diego, and Antelope Valley), developing IRWM Plans, and securing funding. Specifically, Tom has directed six successful Planning Grant efforts under Proposition 50 and Proposition 84. Tom has a proven ability to organize groups quickly, review and distill available information, set goals and objectives, and position our clients for funding. For the Coachella Valley, Tom helped this new region with development of their first IRWM Plan that enabled the region to apply for grants tied to DWR's IRWM program. Tom will bring his strategic planning approach and experience with numerous successful DWR grant applications to the team and help guide the planning grant application efforts.

### **Rosalyn Prickett, AICP (RMC) – Senior Planner**

Rosalyn Prickett will serve as our team's principal grant writer, leveraging her knowledge of multiple successful IRWM programs to support a successful grant application by the ABD region. Rosalyn manages a wide range of water resources management, regulatory compliance, and funding projects. Her expertise lies in IRWM program management, demonstrated by ongoing and successful efforts in the San Diego and the Coachella Valley IRWM regions.

Rosalyn has managed implementation of the following IRWM Grant Applications:

- San Diego IRWM Proposition 84 Planning Grant-Round 1 Application (DWR)
- Coachella Valley IRWM Proposition 84 Planning Grant-Round 1 Application (DWR)
- San Diego IRWM Proposition 84 Implementation Grant Application (DWR)
- Coachella Valley IRWM Proposition 84 Implementation Grant Application (DWR)
- City of Escondido Proposition 1E Grant Application (DWR)
- City of San Marcos Proposition 1E Grant Application (DWR)

### **Daniel Cozad (Integrated Planning and Management, Inc.) – Tribal/DAC Outreach**

Daniel Cozad has over fifteen years of experience in planning and implementation in environmental, engineering, water resources, and related business area experience. With almost 10 years experience with public water agencies, he recently left his most recent position as the General Manager of the Santa Ana Watershed Project Authority. He has a water resources background in all areas of integrated regional water related management and extensive experience in driving stakeholder and local participation, developing regional governance and facilitating decision making and project selection. Mr. Cozad has experience building and developing organizations to successfully plan build and implement new or major programs requiring multi-organization coordination, participation and compliance to be successful.

Daniel is Program Director and Senior Advisor to the Green Valley Initiative, and innovative program that brings together business, government, tribes, education and civic groups to change the focus of Economic Development and policy in Riverside and San Bernardino Counties, approved by both county Boards of supervisors, councils of government, cities, chambers, and other participants including major utilities and business. [www.greenvalleynow.org](http://www.greenvalleynow.org)

### **Crystal Mohr (RMC) –Planner**

Crystal Mohr will serve as the project planner and primary resource for the team. Crystal has a background in planning, with a focus on water resources management. She is experienced in water resources planning, grant writing, and regulatory permitting.

Crystal has played key roles in a number of funding pursuits including:

- Upper Santa Margarita Watershed IRWM Proposition 84 Planning Grant-Round 2 Application (DWR)
- Coachella Valley IRWM Proposition 84 Implementation Grant Application (DWR)
- San Diego IRWM Proposition 84 Implementation Grant Application (DWR)
- Redwood City Proposition 1E Grant Application (DWR)
- City of Escondido Proposition 1E Grant Application (DWR)
- City of San Marcos Proposition 1E Grant Application (DWR)
- City of Oceanside WaterSMART Grant Application (Bureau of Reclamation)

### **Ali Taghavi, PhD, P.E. (DWR/RMC) – Strategic Partner**

Dr. Ali Taghavi will provide technical support services through DWR. Ali has over 20 years of experience in water resources planning, management and engineering. His expertise includes hydrologic and watershed processes, surface and groundwater, water quality, reservoirs operations, conveyance and distribution systems operations, water demand forecasting, wastewater systems evaluation, groundwater flow and contaminant transport modeling, agricultural land and water use analysis, and urban water conservation and management plans.

### **Dale Schafer (DWR/CCP) – Strategic Partner**

Dale Schafer has been working in the field of environmental and public policy dispute resolution and consensus building for over 10 years. As an associate of the Mediation Institute, Dale helped facilitate the successful development of a set of consensus-based guidelines between stakeholders, private industry, local governments, and state and federal agencies on the scientifically-debated issue of the use of high-energy seismic sounding in oil exploration off the coast of Southern California. Ms. Schafer also acted as a facilitator for a Community Advisory Panel established by the Principle Responsible Parties in a mediated agreement concerning a proposed EPA superfund site which developed a plan for a recreational park and multi-use community center.

## Section 5: Proposed Level of Effort

### Proposed Scope of Work

#### Task 1) Outreach and Coordination

##### Task 1a) Kickoff/Progress Meetings with ABD RWMG

The ABD RWMG, which is comprised of BWD, the Resource Conservation District of Greater San Diego County, and the County of San Diego, will meet on a regular (approximately every 3-4 weeks) basis throughout production of the Planning Grant-Round 2 Proposal. To use the group's time effectively, RMC proposes that approximately half of the meetings are held via conference call and half of meetings are held in person. These meetings are critical to maintaining ongoing communication among ABD RWMG members and for bringing RMC up to speed on the intricacies of the ABD region and players. These meetings will involve discussion of past program activities and future program needs, both of which form the basis of the Planning Grant-Round 2 Proposal.

This scope of work estimates that one (1) ABD RWMG meetings will occur prior to release of the draft Planning Grant Proposal Solicitation Package (PSP), to discuss and prioritize the planning studies to include within work plan; two (2) will occur after release of the draft Planning Grant PSP, to refine the work plan based on any new information in the PSP; and two (2) will occur after release of the final Planning Grant PSP to review and receive comments on the completed sections of the Planning Grant Proposal.

##### Task 1b) Stakeholder, DAC, and Tribal Outreach

RMC will work with the ABD RWMG to conduct targeted outreach to groups that are currently involved with the existing Stakeholders Committee and others that would potentially be interested in joining the Stakeholders Committee and/or increasing their involvement with the ABD IRWM Program.

This process will occur through a stakeholder workshop that will be held to engage stakeholders such as DAC organizations, tribal entities, environmental justice (EJ) representatives, conservation organizations, interest groups, businesses, and the general public.

As per requirements set forth by DWR, targeted outreach will also be conducted with DACs, tribal entities, and EJ groups within ABD to understand and focus their water management related issues and needs. RMC proposes a total of three (3) stakeholder workshops, in concert with direction from Dale Schafer with CCP, to be held jointly with the DACs and tribes to manage expectations for the types of projects eligible for IRWM grant funding and reach consensus on the Planning Grant work plan.

##### Task 1c) Coordination with DWR

RMC will work with BWD to coordinate with DWR to facilitate preparation and submittal of the Planning Grant Proposal. RMC anticipates that DWR will attend the stakeholder workshops and coordination will be leveraged at those meetings to discuss the Planning Grant work plan prior to submitting the application to DWR. This level of coordination is important in helping DWR staff to understand and support the content of the proposed work plan.

#### Deliverables:

- Five (5) ABD RWMG meetings and up to three (3) separate stakeholder/DAC/tribal workshops
  - Three (3) ABD RWMG meetings will be held via conference call

- RMC prepare meeting agendas, provide conference call-in information (when necessary), attend meetings, prepare presentations to be presented by RMC or ABD RWMG staff, and facilitate discussion

**Task 2) Prepare Planning Grant-Round 2 Proposal**

RMC will prepare the Planning Grant-Round 2 Proposal in accordance with the state funding agencies' application submittal guidelines, using information developed from the Region Acceptance Process (RAP) Submittal, previous Planning Grant materials, and input from the ABD RWMG. RMC will also assist the ABD RWMG in preparing for funding discussions with DWR staff. This task will include, but not be limited to:

- Preparing and maintaining a project schedule noting key project milestones, meetings, and deadlines to ensure timely submittal of the grant application;
- Compiling and producing all data and information needed for grant application submittal;
- Preparing and providing three (3) draft copies of the Planning Grant Application to the ABD RWMG for review and comments; and
- Submitting a final, revised electronic copy of the Planning Grant Application to the ABD RWMG prior to final document production and submittal to the state agencies.

This scope of work assumes that BWD staff will provide copies of previous IRWM documents electronically to RMC.

**Deliverables:**

- Draft and final Planning Grant-Round 2 Proposal
  - RMC will provide deliverables in electronic format.
  - BWD will compile and provide ABD RWMG comments on draft documents in a single document using track-changes.

**Proposed Costs**

The overall budget for this task order is \$47,462 for the preparation of the Planning Grant Application based on the scope of work and assumptions presented above. This overall budget is based on DWR’s funding of technical and facilitation assistance and the scope of work detailed above.

## Section 6: Willingness to Provide Further Technical Assistance

RMC’s extensive experience regarding IRWM planning and funding efforts statewide but particularly in Southern California, as well as our experience with groundwater management planning render us as perfectly suited to provide BWD with further technical assistance as necessary. In particular, we have a strong track record of both forming new regions and coming in to help those who have had challenges.

### IRWM Plan Development

RMC has extensive experience helping IRWM regions to develop their IRWM Plans. In December 2010, RMC led the Coachella Valley RWMG in preparing and adopting the Coachella Valley IRWM Plan. This plan is the only IRWM Plan in the State of California so far to be prepared under the new (2010) Proposition 84 guidelines. Therefore, RMC has unequalled knowledge of the new Proposition 84 guidelines, and would be equipped to prepare an IRWM Plan for ABD should the Planning Grant be awarded.

On a fast-track of only 9 months, RMC developed the Coachella Valley’s first IRWM Plan that enabled the region to apply for grants tied to DWR’s IRWM program. RMC entered into this region, which had very significant historical groundwater conflicts. Positioning for the first round of Proposition 84 funding, the region brought RMC on board to:

- Establish a functional governance structure, including active participation by DACs and tribes
- Prepare the first IRWM Plan fully in accordance with DWR’s new IRWM Plan Standards
- Facilitate adoption of the IRWM Plan in December 2010 by all 5 management group agencies through regular Board briefings
- Create an online project database with project entry and editing, interactive mapping, project sharing, automated ranking, advanced query tools, and export functions
- Prepare successful planning and implementation grant applications to establish the Coachella Valley region as an IRWM player

### Groundwater Management Plans

RMC has extensive knowledge and experience preparing groundwater management plans, and providing related technical support. As such, if requested by BWD, RMC is prepared and willing to provide technical support related to groundwater management planning.

RMC is a leader in development and implementation of integrated hydrologic, groundwater, and water resources models that support the development of groundwater management plans and IRWMs. RMC has developed numerous models throughout California, and will be able to provide technical assistance or provide technical and peer review services on the current model development process being conducted by the USGS. RMC has worked very closely with the scientists and engineers at the USGS, and understands the groundwater modeling and analysis processes used by USGS. As such, we will be able to work with USGS on the modeling or utilize their model to perform the analysis required to support the IRWM planning grant application or the IRWM Plan development.

RMC is well positioned to assist the ABD IRWM with groundwater management issues.

For Upper Kings Basin, RMC developed an integrated hydrologic simulation model that is extensively used to test the feasibility conjunctive use as well as water supply and recharge alternatives. The project participants were involved in all phases of model development to incorporate their local knowledge and experience into the testing and evaluation of conjunctive water management concepts. The model yields results in terms of feasibility of recharge through upper aquifer layers and short-term and long-term impacts on the physical system from a given project operation. RMC worked closely with the client to address project issues similar to those faced by the

BWD: inadequate data and information, disaggregated data, unknown aquifer interaction, groundwater overdraft, and agreements among different stakeholders about the method of testing and evaluation of projects concepts.

For the Upper Kings Basin IRWM Plan, RMC developed the Upper Kings Basin Integrated Hydrologic Model as an essential component of the alternatives evaluation of the IRWMP. This model provided the necessary scientific basis for comparison of the impacts and benefits of the water management alternatives in the Kings Basin.

**Implementation Grant Applications**

RMC has a proven track record for obtaining funds for implementation grant applications. Once the ABD IRWM has their IRWM Plan funded, RMC is positioned to help the region to also prepare a successful implementation grant application. Our results from our Proposition 50 (the funding vehicle for IRWM before Proposition 84) implementation grant applications are presented below and demonstrate our demonstrated success in obtaining grant funding. For many, we prepared successful Proposition 50 Planning Grant Applications, developed the IRWM Plan, and then prepared a successful Implementation Grant Application.

**Successful Grant Applications Prepared by RMC**

| CLIENT                                       | PROJECT NAME                                       | BRIEF DESCRIPTION  | FUNDS RECEIVED |
|--|--|--|----------------|
| <b>RWA / FRWA</b>                            | American River Basin IRWMP Implementation Grant    | RMC prepared a successful Prop 50 IRWMP Implementation grant application for the Regional Water Authority (RWA) and the Freeport Regional Water Authority (FRWA), obtaining \$25 million in grant funds from DWR. We also provided post-award grant support to RWA in executing the Prop 50 grant with DWR.  | \$25 million   |
| <b>Pajaro Valley Water Management Agency</b> | Basin Management Plan & Project Implementation     | RMC is serving as program manager for PVWMA’S revised basin management plan and implementation of the \$156 million program focused on developing supplemental water supplies for the Pajaro Valley, which has relied primarily on groundwater to meet its water demands. RMC evaluated the use of alternative water supplies and helped bring stakeholders together to develop a broadly supported approach and prepared a funding application package that has secured nearly \$30 million in project funding from DWR.  | \$28 million   |
| <b>San Benito County Water District</b>      | Pajaro River Watershed IRWM Implementation Grant   | RMC began supporting the three-agency Pajaro River Watershed Management Collaborative in mid-2004 with the preparation support for an MOU outlining the governance structure and goals/objectives. For this IRWM Region, RMC prepared a draft IRWMP, prepared successful grant applications for Prop 50 funding, and supported the IRWMP process throughout by organizing the work structure, organizing and facilitating stakeholder meetings, maintaining close contact with DWR and SWRCB representatives, and developing a comprehensive project prioritization process. | \$25 million   |
| <b>San Benito County Water Agency</b>        | San Benito – Pajaro Groundwater Desalination Grant | RMC performed a feasibility study to investigate the sustainability and benefits of reverse osmosis desalting of high salinity, non-potable groundwater in the San Juan subunit of the Hollister groundwater basin. RMC evaluated alternative brine management strategies and assessed potable water distribution systems. RMC developed a successful proposal, ranked highest in the state, to obtain \$245,000 in Proposition 50 grant funding for this \$490,000 feasibility study.   | \$245,000      |

**Borrego Water District  
Proposal for IRWM Planning Grant – Round 2**

| <b>CLIENT</b>                                       | <b>PROJECT NAME</b>                                       | <b>BRIEF DESCRIPTION</b>   | <b>FUNDS RECEIVED</b> |
|---|---|--|-----------------------|
| <b>Amador Water Agency</b>                          | Amador / Mokelumne IRWMP                                  | RMC updated the Mokelumne/Amador/Calaveras Region’s current IRWMP to meet Proposition 84 standards while working with a broad group of stakeholders within Amador County and the Mokelumne and Calaveras River watersheds. We developed and implemented an outreach program, including participation by a Regional Participants Committee. RMC’s team helped revise regional boundaries; vision, goals and objectives; and the project prioritization process for the updated IRWMP. We also prepared climate change analysis sections for inclusion in the plan.  | \$245,000             |
| <b>LA County Flood Control District</b>             | Greater Los Angeles County IRWMP                          | As part of a consultant team, RMC led more than 50 agencies, municipalities, and stakeholder groups through an Integrated Regional Water Management Plan development process for greater Los Angeles County. Using a \$1.5 million planning grant from DWR, a portion of which our team helped to secure, the stakeholders of the region completed an integrated planning process to simultaneously address water supply, runoff water quality and other environmental issues.   | \$25 million          |
| <b>Santa Clara Valley Water District</b>            | San Francisco Bay Area IRWMP                              | RMC managed a fast-track effort by agencies in the nine San Francisco Bay Area counties to develop an Integrated Regional Water Management Plan. RMC prepared a successful Prop 50 grant application resulting in \$830,000 in planning grant funds and provided grant application support for a successful \$12.5-million implementation grant. Both the IRWMP and implementation grant application were prepared using a unique multi-stakeholder approach incorporating both Environmental Justice and Climate Change impact analyses.  | \$13.3 million        |
| <b>Contra Costa Water District</b>                  | East Contra Costa IRWMP                                   | RMC managed the development of a functionally equivalent Integrated Regional Water Management Plan and implementation grant funding application materials for the East County Water Management Association, which includes 11 water agencies, wastewater agencies, flood control districts and watershed groups within the eastern portion of Contra Costa County. Our work laid the foundation for the East County agencies to secure \$12.5 million in Prop 50 grant funding for implementation.   | \$12.5 million        |
| <b>San Diego County Water Authority</b>             | San Diego IRWMP   | RMC is supporting the City of San Diego, County of San Diego, and San Diego County Water Authority in developing an integrated, balanced, and consensus-based approach to ensuring the long-term viability of San Diego’s water resources. Through this project, RMC assisted the San Diego Region in improving its IRWM Plan, resulting in award an of \$25 million in funding from Proposition 50, and over \$8 million in Proposition 84 funding. In addition, RMC played a critical role in building consensus throughout the stakeholder community and developing a sustainable long-term planning process that can be easily adapted to respond to future funding opportunities. | \$25 million          |
| <b>City of San Jose / South Bay Water Recycling</b> | South Bay Water Recycling Project, Silver Creek Extension | RMC managed the master planning development of the expansion of the South Bay Water Recycling Program, which included managing an array of market verification, master planning, and conceptual design efforts to expand recycled water market by 15 mgd, representing \$180 million in infrastructure. RMC’s financing and revenue services include preparing   | \$3 million           |

| CLIENT                                     | PROJECT NAME                              | BRIEF DESCRIPTION   | FUNDS RECEIVED |
|--|---|---|----------------|
|  |   | Proposition 50 recycled water applications; review and analysis of the City’s recycled water pricing policy, customer use patterns, and customer connection fee strategy; value estimation for reliability and water quality; and wholesale pricing policy development.   |                |
| <b>West Basin Municipal Water District</b> | West Basin Municipal Water District IRWMP | Under contract with the West Basin Municipal Water District, RMC worked with agencies and stakeholders in the Los Angeles County South Bay Region to identify, prioritize, and integrate water supply reliability and water quality improvement projects as part of an integrated water supply planning process, and to submit planning and implementation grant applications under Proposition 50. RMC prepared a \$500,000 planning grant application under Proposition 50, and then prepared a draft IRWM Plan and \$50 million Proposition 50 grant application to fund a collection of water supply reliability, and water quality projects consistent with the IRWM Plan. | \$500,000      |

**Additional Project Team Members for Further Technical Assistance**

RMC has the resources necessary to provide assistance with the next tasks should the grant application be successful, including IRWM Plans and Implementation Grant Applications.

**Ali Taghavi, PhD, P.E. (RMC) – Technical Advisor**

Dr. Ali Taghavi will serve as a Technical Advisor, responsible for providing technical expertise. Ali has over 20 years of experience in water resources planning, management and engineering. His expertise includes hydrologic and watershed processes, surface and groundwater, water quality, reservoirs operations, conveyance and distribution systems operations, water demand forecasting, wastewater systems evaluation, groundwater flow and contaminant transport modeling, agricultural land and water use analysis, and urban water conservation and management plans.

Ali has coordinated a wide range of hydrologic, hydrogeologic, and geologic investigations for groundwater management, conjunctive use and other water supply plans. He was involved in the planning and design of conjunctive use projects and other major basin planning efforts in the Sacramento Valley, San Joaquin Valley, and Southern California (including Imperial County) as well as on the Central Coast of California. He has provided hydrologic and water quality analysis in support of environmental reviews, and has managed and directed many water resource planning efforts through the complete project life cycle.

**Jim Blanke (RMC) – Technical Support**

Jim Blanke specializes in geology and hydrogeology for water resources planning, environmental investigations and remediation, and groundwater modeling. He has experience in water management planning; modeling and data management; geologic, hydrologic and hydrogeologic investigations; and environmental enhancement, compliance, and permitting. Jim has developed groundwater management plans, integrated regional water management plans, and grant applications. He has worked on designing monitoring wells for varied applications including contaminants, ambient groundwater, and waterlogging. As an expert witness, he has given depositions and testimony in trial. Jim has significant experience in the Sacramento area, the Central Valley, Bay Area, and Inland Empire. Jim’s broad experience assists in moving projects from conception to data collection to data analysis to decisions.

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SECOND AMENDMENT TO BARGAIN SALE  
AND DONATION AGREEMENT

THIS SECOND AMENDMENT TO BARGAIN SALE AND DONATION AGREEMENT is dated \_\_\_\_\_, 2011 by and between the BORREGO WATER DISTRICT, a public corporation organized and existing under Division 13 of the Water Code of the State of California (the "District"), and LUNDAVID LLC, a Connecticut limited liability company (the "Seller").

WHEREAS, Seller and District are parties to the Bargain Sale and Donation Agreement dated October 22, 2010 (as amended by the First Amendment to Agreement referenced below, the "Agreement") with respect to certain real property situated within the jurisdictional boundaries of the District in the State of California; and

WHEREAS, all undefined capitalized terms used herein are as defined in the Agreement; and;

WHEREAS, pursuant to the Agreement, Seller agreed to apply to the District to secure Water Credits for conveyance to the District, together with the Conveyance Parcel 1, pursuant to a bargain sale as more particularly set forth in the Agreement; and

WHEREAS, on November 23, 2010, the parties entered into the first Amendment to the Agreement, to memorialize the District's agreement to waive the Seller's obligation to pay an application fee, in conjunction with Seller's application for Water Credits; and

WHEREAS, based on changed circumstances following execution of the Agreement, including changes in the District's financial condition and ongoing efforts by the County of San Diego to create a new groundwater management/water credits program applicable to properties within the District's jurisdictional boundaries, the parties have been involved in renegotiation of some of the terms of the original Agreement to the mutual benefit of the parties; and

WHEREAS, the parties desire to amend the Agreement as a result of several modifications to the transaction that have been agreed upon by the parties, including but not limited to: (i) switching the conveyance of Parcels 1 and 2, so that Parcel 2 will be sold to the District instead of Parcel 1, and Parcel 1 will be provided to the District as a charitable donation instead of Parcel 2; (ii) modifying the Agreement to allow the District to pay \$6000 to the Seller upon execution of this Amendment to cover the cost of expenses incurred prior to that date; (iii) modifying the Agreement to require the District to pay the remaining \$69,000 to the Seller at the time that the District issues Agricultural-1 Water Credits ("AG-1 Water Credits") to the Seller; (iv) modifying the Agreement to require that if the Seller desires to purchase AG-1 Water Credits to satisfy San Diego County water mitigation requirements for applicable projects defined herein, then Seller must purchase such AG-1 Water Credits up to a maximum of 312.5 AG-1 Water Credits exclusively from the District; (v) modifying the Agreement to provide that if and when Seller purchases up to 312.5 AG-1 Water Credits from the District the cost per credit will be not less than \$5500; (vi) modifying the Agreement and Promissory Note to provide that

if and when Seller acquires AG-1 Water Credits from the District at not less than \$5500 per credit, instead of an exchange of cash from Seller to the District, the District will receive a dollar for dollar offset against its debt with Seller; (vii) eliminating the requirement for a Purchase Money Deed of Trust; (viii) deferring the payment (but not the accrual) of interest on the Promissory Note for four years.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to amend the Agreement as follows:

1. Recital E to the Agreement is amended to read as follows:

In consideration of the terms, conditions and obligations imposed pursuant to the terms of this Agreement, the Seller desires to (i) convey to the District 312.5 Water Credits, and (ii) convey to the District fee simple title to that portion of the Property consisting of approximately 61 acres of land depicted as Parcel 2 (“Conveyance Parcel 2”) on the map attached hereto as Exhibit “B” (the “Map”). The parties agree that for purposes of this Agreement, Parcel 1 and Parcel 2 provide equivalent value to the District because they contain approximately an equivalent number of irrigated citrus trees.

2. Recital F to the Agreement is restated to read as follows:

The Seller further desires to pledge to make a charitable donation to the District of fee simple title to that portion of the Property consisting of approximately 86 acres of land depicted as Parcel 1 (“Conveyance Parcel 1”) on the Map.

3. Recital G to the Agreement is restated to read as follows:

On the terms, conditions and provisions set forth in this Agreement, the District desires to purchase, and Seller desires to sell to the District, the Water Credits as well as Conveyance Parcel 2 for public purposes and to accept the Seller’s pledge to donate Conveyance Parcel 1.

4. Recital I to the Agreement is restated to read as follows:

Seller believes, and the District concurs to the best of its knowledge, that the purchase price for the Water Credits and Conveyance Parcel 2, as specified in this Agreement is substantially below the fair market value of the Water Credits and Conveyance Parcel 2. Seller intends, without representation, warranty or guarantee by the District, that the difference between the purchase price and the fair market value of the Water Credits and Conveyance Parcel 2 shall be a charitable contribution to the District.

5. Recital J to the Agreement is restated to read as follows:

Seller intends, without representation, warranty or guarantee by the District that the conveyance of Conveyance Parcel 1 shall be a charitable contribution to the District;

provided, however that Seller acknowledges that its conveyance of Conveyance Parcel 1 is an integral and indispensable component of the District's agreement to enter into the transaction contemplated by this Agreement and that the District would not have entered into this Agreement without Seller's promise and pledge to convey Conveyance Parcel 1.

6. Section 1 of the Agreement is restated to read as follows:

**Seller's Obligation to Secure Water Credits.** Subject to the terms and conditions set forth in this Agreement, Seller has made application to the District for the issuance of Water Credits pursuant to the Water Credit and Mitigation Policy as to not less than fifty percent (50%) of the Fallowed Portion of the Property. Seller's application for Water Credits shall be for AG-1 Water Credits for Irrigated Agricultural Land as described in the Water Credit and Mitigation Policy, for the purpose of satisfying County of San Diego mitigation requirements. The District shall issue the AG-1 Water Credits to the Seller, pursuant and subject to the terms of the Water Credit and Mitigation Policy, upon the Seller's performance of each and every requirement thereof, including but not limited to: Seller shall fallow, restore/mulch and remove all irrigation systems, equipment, improvements, personal property, debris and/or trash located on the Fallowed Portion of the Property. Fallowing of the Fallowed Portion of the Property shall be accomplished using methods reasonably acceptable to both the District and the County of San Diego. Any changes to the above Policy will not be applied to the Seller for one year following the date this Agreement is signed.

7. Section 14 of the Agreement is renumbered as Section 1.1, and is amended to read as follows:

**Seller's Obligation to Purchase Water Credits from District.** In the event the Seller, or any of its subsidiaries, or affiliated entities (expressly excluding third-party successors or assigns), purchases AG-1 Water Credits in order to satisfy San Diego County water mitigation requirements applicable to the Seller's Yaqui Pass Development (currently outside the District's boundaries) and/or any other development located within the boundaries of the District in which the Seller, or any of its subsidiaries, successor and/or assigns, owns more than a fifty percent (50%) interest, Seller shall purchase such water credits exclusively from the District at a price determined by the then existing market conditions, but under no circumstances less than \$5,500 per credit. Notwithstanding anything contained herein to the contrary, no third party purchaser of the Yaqui Pass Development (currently outside the District's boundaries) and/or any other development located within the boundaries of the District in which the Seller, or any of its subsidiaries, successor and/or assigns, owns less than a fifty percent (50%) interest, shall be subject to the terms, conditions, obligations or liabilities of this Section 1.1. Nothing in this agreement shall prohibit the Seller from purchasing more than 312.5 water credits from the District at a price mutually agreeable to Seller and the District.

8. Section 1.2 is added to the Agreement as follows:

**Grant of Exclusive Groundwater Easement.** The parties agree that when water credits are conveyed to the Seller pursuant to Section 1 of this Agreement, Seller shall sign and submit a customary Grant of Exclusive Groundwater Easement to the District with respect to such water credits, in a form reasonably acceptable to the District and to the County of San Diego, and that the County of San Diego shall be named as a third party beneficiary in the easement agreement.

9. Section 2 of the Agreement is restated to read as follows:

**Agreement to sell and Purchase Water Credits and Conveyance Parcel 2.** The Seller agrees to sell to the District, and the District agrees to purchase from the Seller, upon the terms and for the consideration set forth in this Agreement, the following: (i) 312.5 AG-1 Water Credits issued to the Seller by the District; and (ii) fee simple marketable title to Conveyance Parcel 2.

10. Section 3 of the Agreement is restated to read as follows:

**Pledge to Donate Conveyance Parcel 1.** Subject to the terms, conditions and restrictions set forth in this Agreement, the Seller hereby pledges to donate the marketable fee simple interest in and title to Conveyance Parcel 1 to the District upon the earlier of the following: (i) the three-year anniversary of the conveyance of the Water Credits and Conveyance Parcel 2 (as set forth in Section 5); or (ii) the final approval/confirmation by the County of San Diego of the Seller's compliance with the water mitigation requirements applicable to the Seller's development commonly referred to as the Yaqui Pass, which development is legally described in the Yaqui Pass Legal Description attached hereto as Exhibit "C" and incorporated herein (the "Yaqui Pass Development"). The Seller acknowledges and agrees that its donation of Conveyance Parcel 1 is an integral and indispensable component of the District's agreement to enter into the transaction contemplated by this Agreement and that the District would not have entered into this Agreement without Seller's promise and pledge to donate Conveyance Parcel 1 as set forth in this Section 3.

11. Section 3.1 of the Agreement is restated to read as follows:

**Conveyance of Conveyance Parcel 1.** Upon donation, Seller agrees to execute, acknowledge and cause to be recorded in the Official Records of San Diego County, California the Conveyance Parcel 1 Grant Deed, substantially in the form attached hereto as Exhibit "E" and incorporated herein.

12. Section 4 of the Agreement is amended as follows:

**Purchase Price.** The total purchase price for the Water Credits and Conveyance Parcel 2 shall be the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00) (the "Purchase Price"), with simple interest thereon at the rate of four percent (4%) per annum. The interest provided by this paragraph shall accrue without an obligation of repayment prior to the fourth anniversary of the date that water

credits and Conveyance Parcel 2 are conveyed to the District. At the time Seller receives its AG-1 water credits, having met all obligations under the Water Credit and Mitigation Policy, the District shall pay Seller the amount of Sixty-Nine Thousand Dollars (\$69,000), which when added to the accrued expenses paid by the District in the amount of Six Thousand Dollars (\$6,000.00) upon execution of this Amendment, results in a total payment to Seller of Seventy Five Thousand Dollars (\$75,000.00). The balance of the Purchase Price equal to One Million Four Hundred Twenty-Five Thousand Dollars (\$1,425,000.00) shall be paid by the District to the Seller as set forth in the Promissory Note and its schedules.

(a) If and when the Seller purchases from the District up to 312.5 AG-1 Water Credits referenced in Section 1.1 of this Agreement to satisfy its mitigation with San Diego County, instead of an exchange of cash from Seller to the District, the District shall receive a dollar for dollar offset toward the Purchase Price.

(b) The reference to "Parcel 1" shall be changed to "Parcel 2."

(c) The last sentence referring to the Purchase Money Deed of Trust is deleted.

13. Section 5 of the Agreement is restated to read as follows:

**Conveyance of Water Credits and Conveyance Parcel 2.** Seller agrees to execute, acknowledge and cause to be recorded in the Official Records of San Diego County, California the Conveyance Parcel 2 Grant Deed, substantially in the form attached hereto as Exhibit "D" and incorporated herein. Seller further agrees to execute and acknowledge any assignment and/or other document reasonably determined by the District to be necessary in order to effect the conveyance of the Water Credits from the Seller to the District. Conveyance of the Water Credits and Conveyance Parcel 2 (the "Closing") as set forth in this Section 5 shall occur within ten (10) days of the District's issuance of the Water Credits to the Seller and is a condition precedent to all of the obligations and duties imposed upon the District herein, including, without limitation, the District's obligation pay the Purchase Price. Upon Seller's conveyance of the Water Credits to the District, the District may (in its sole and absolute discretion) sell such Water Credits to any other third-party; provided, however, that the Seller shall retain a right of first refusal to repurchase such Water Credits, subject to the same terms and conditions proposed by the third-party purchaser.

14. Section 6 of the Agreement is amended by adding a new paragraph (e) as follows:

(e) Seller and the District acknowledge and agree that for all purposes of this Agreement, the District is deemed to have approved the Property pursuant to paragraph 6(c) of the Agreement.

15. Section 9.5 of the Agreement is restated to read as follows:

**Acknowledgement of Donation.** The District acknowledges that Seller

intends to seek recognition by the Internal Revenue Service (IRS") and any applicable State of a non-cash charitable contribution with respect to the bargain sale of Conveyance Parcel 2 and the charitable donation of Conveyance Parcel 1 in accordance with this Agreement, as more particularly described in Recital 1 above. The District covenants to reasonably cooperate with Seller with respect to such donation by completing the Noncash Charitable Donations Form (IRS Form 8283) and any corollary State form and to complete related subsequent IRS and State forms, if any, as reasonably requested by Seller, the IRS, or the State with respect to such non-chase charitable contribution. This covenant shall survive the all conveyance and donation of property hereunder. The District further acknowledges that as a public utility in the State of California and under existing statutes, regulations, rulings and judicial decisions, the portion of the payments representing interest is excluded from gross income for federal income tax purposes.

16. The reference in Section 10.2 of the Agreement to "Conveyance Parcel 1" is changed to "the Property."
17. Section 30 of the Agreement is deleted in its entirety.
18. The Promissory Note attached as Exhibit "F" to the Agreement is deleted and replaced with the Promissory Note attached hereto as Schedule "A".
19. All other terms and conditions set forth in the Bargain Sale and Donation Agreement shall continue in full force and effect.
20. Delivery of a signed copy of this Second Amendment to Agreement by e-mail or facsimile shall be legal execution and delivery of the Agreement by the signing party.

OWNER: LUNDAVID, LLC

By: \_\_\_\_\_  
Lance B. Lundberg, Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Attorneys for Lundavid, LLC

By: \_\_\_\_\_  
Lisa A. Foster

McDougal, Love, Eckis, Boehmer & Foley  
Attorneys for Borrego Water District

BORREGO WATER DISTRICT

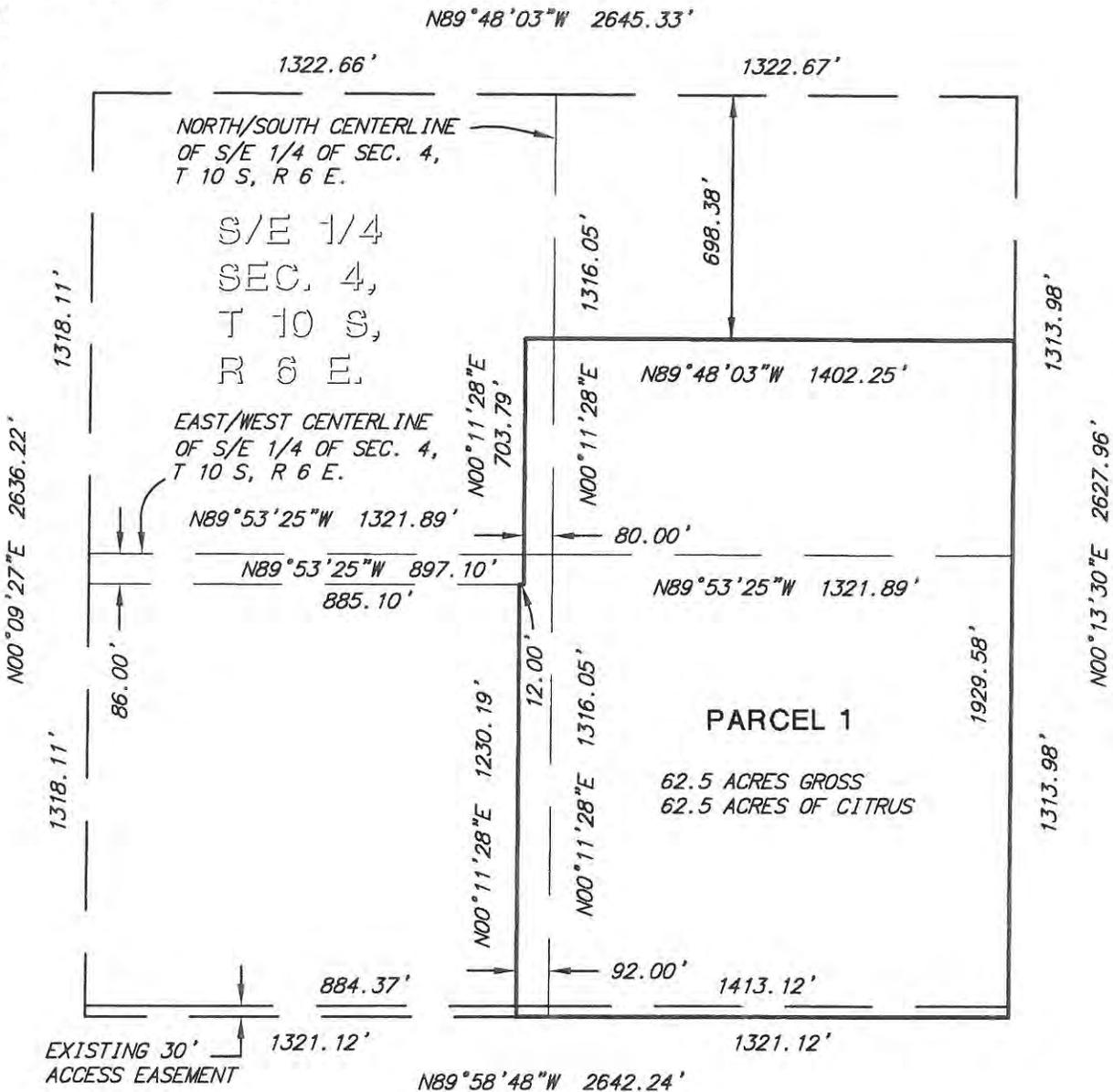
By: \_\_\_\_\_  
Beth Hart, Board President

ATTEST:

By: \_\_\_\_\_  
Marshal Brecht, District Secretary

# EXHIBIT "B"

SCALE 1" = 500'



SURVEY EXHIBIT OF  
APN: 140-030-03



8707 La Mesa Blvd (619) 465-8948  
La Mesa, Calif. 91942 FAX (619) 465-6410

SURVEY DATE:  
12-17-10

JOB NO.: 223810

PLAT DATE: 03-08-11

DRAFTER: RUSSELL

Robert J. Russell PLS



**SCHEDULE "A"**

**PROMISSORY NOTE**

\$1,425,000

Borrego Springs, California  
\_\_\_\_\_, 2011

[To be dated the date of Closing]

**FOR VALUE RECEIVED**, the **BORREGO WATER DISTRICT**, a public corporation organized and existing under Division 13 of the Water Code of the State of California (the "Obligor"), promises to pay to **LUNDAVID LLC**, a Connecticut limited liability company (the "Holder"), or order, at the Holder's office c/o Lance B. Lundberg at 6 Fraser Road, Westport, Connecticut 06880, or such other place as the Holder may designate in writing, the sum of One Million Four Hundred Twenty Five Thousand Dollars (\$1,425,000.00) ("Note Amount"), with simple interest thereon at the rate of four percent (4%) per annum, in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts. The interest provided in this paragraph shall accrue quarterly based on the original principal amount of this Note.

1. **Agreement.** This Promissory Note ("Note") is given in accordance with that certain Bargain Sale and Donation Agreement executed by Obligor and Holder, and dated as of October 22, 2010, as amended by that Amendment to Bargain Sale and Donation Agreement, dated as of November 23, 2010 and that Second Amendment to Bargain Sale and Donation Agreement, dated as of June \_\_, 2011 (as amended, the "Agreement"). The rights and obligations of Obligor and Holder under this Note shall be governed by the Agreement and by the additional terms set forth in this Note. In the event of any conflict or inconsistencies between the terms of this Note and the terms of the Agreement or any other document related to the Note Amount, the terms of this Note shall prevail. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

2. **Maturity Date.** All outstanding principal and all accrued and unpaid interest due under this Note shall be due and payable in full on or before the thirtieth (30th) anniversary of the date upon which the Water Credits and Conveyance Parcel ± 2 are conveyed to Obligor pursuant to Section 5 of the Agreement (the "Maturity Date").

3. **Payments.**

(a) **Interest-Only Period.** On the fourth year anniversary of this Note, Obligor shall make a payment to the Holder in the amount of all accrued and unpaid interest hereunder as of such date. Commencing on the last day of the third (3rd) full month following the fourth year anniversary of the date of this Note, and continuing until the fifth (5th) anniversary of the date this Note, Obligor shall make a quarterly payment in an amount equal to the accrued interest (*i.e.*, a payment of \$14,250.00) to the Holder. Obligor may impose a late fee of not more than four percent (4%) of the payment amount for any payment received more than 10 days after its due date in accordance with this section.

(b) **Payment Due On Fifth Anniversary.** On the fifth (5th) anniversary of the date this Note, Obligor shall make a single payment to the Holder in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00), which payment shall be directly applied to and credited against the outstanding principal Note Amount.

(c) **Amortized Period.** On the fifth (5th) anniversary of the date of this Note, the outstanding principal balance of the Note Amount, less the payment made pursuant to 3(b) of this Note, (*i.e.*, the amount of \$1,275,000.00) shall be fully amortized over the remaining twenty-five (25) year term of this Note. Commencing on the last day of the third (3rd) full month following the fifth (5th) anniversary of the date of this Note, and continuing until the thirtieth (30th) anniversary of the date of this Note, Obligor shall make a quarterly payment in an amount equal to \$20,228.82 (and one final payment in an amount equal to \$20,229.26) to the Holder, which shall be allocated pursuant to the amortization schedule attached hereto as Attachment No. 1 and incorporated herein.

4. **Prepayment; Discount.** The Obligor may prepay, in whole or in part, the principal amount together with all accrued interest and other sums due under this Note, at anytime without premium or penalty. Notwithstanding any other provision of this Note, in the event Obligor pays the Note Amount in full prior to the fifth (5th) anniversary of the date of this Note, Obligor shall receive a discount and credit against the Note Amount in an amount equal to twenty percent (20%) of the Purchase Price (*i.e.*, a discount and credit against the Note Amount in the amount of \$300,000.00).

5. **Conditional Payment Offsets.** In the event that Seller acquires Agricultural-1 Water Credits (“AG-1 Water Credits”) from Obligor pursuant to Section 1.1 of the Agreement, then upon any such acquisition, in lieu of an exchange of cash to pay the purchase price for such AG-1 Water Credits, Obligor shall be granted an offset at the time of conveyance of such AG-1 Water Credits to Seller against amounts due hereunder in an amount not less than \$5,500 for each AG-1 Water Credit so conveyed to Seller. Any such offset shall be applied first to unpaid charges, if any, then to accrued and unpaid interest, and last to unpaid principal. Except as expressly provided for in Section 1.1, Seller shall not be obligated to acquire any AG-1 Water Credits from Obligor and Obligor shall have no right to tender AG-1 Water Credits in lieu of cash payments hereunder unless and until Seller decides to so acquire AG-1 Water Credits.

6. **Cancellation of Note.** Upon payment in full of all principal and interest payable hereunder, this Note shall be surrendered to the Obligor for cancellation.

7. **Defaults and Remedies.**

(a) **Events of Default.** An “Event of Default” shall occur if:

(i) the Obligor shall default in the payment of the principal or interest of this Note, when and as the same shall become due and payable;

(ii) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (a) relief in respect of the Obligor, or of a substantial part of its property or assets, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (b) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Obligor, or for a substantial part of its property or assets, or (c) the winding up or liquidation of the Obligor; and such proceeding or petition shall continue undismissed for ninety (90) days, or an order or decree approving or ordering any of the foregoing shall be entered; or

(iii) the Obligor shall (a) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal or state bankruptcy, insolvency, receivership or similar law, (b) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (ii) of this Section 7(a), (c) apply for or consent to

the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Obligor or any subsidiary, or for a substantial part of its property or assets, (d) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (e) make a general assignment for the benefit of creditors, (f) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (g) take any action for the purpose of effecting any of the foregoing.

(b) Upon the happening of any Event of Default, (i) the entire indebtedness evidenced by this Note, including all accrued but unpaid interest at the rates set forth in this Note, shall, at the option of Holder, accelerate and become immediately due and payable without demand or notice of any kind, (ii) interest shall begin to accrue on the remaining principal balance at the rate of ten percent (10%) per annum (the "Default Rate") (and shall continue to accrue at the Default Rate until the indebtedness evidenced by this Note is paid in full or the Event of Default is waived in writing by Holder ), and (iii) Holder shall be entitled to exercise any and all remedies available at law or in equity to enforce its rights under this Note.

8. **Notices.** Any written notice, consent or other communication provided for in this Promissory Note shall be delivered or sent by registered or certified U.S. Mail, with postage prepaid, to the address set forth opposite below. Such addresses may be changed by written notice given as provided herein.

If to Holder:                   Lundavid, LLC  
6 Fraser Road  
Westport, Connecticut 06880  
Attention: Lance B. Lundberg

If to Obligor:                 Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, CA 92004  
Attention: General Manager

9. **Governing Law.** This Note shall be governed by the laws of the State of California, and the laws of such state shall govern the construction, validity, enforcement and interpretation hereof, except to the extent federal laws otherwise govern the validity, construction, enforcement and interpretation hereof.

10. **Amendments and Modifications.** This Note shall not, cannot, and will not be changed or modified orally. This Note can only be altered or modified by an instrument in writing signed by the Holder and the Obligor.

11. Obligor and all others who may become liable for the payment of all or any part of the amounts due hereunder (the "Debt") do hereby severally waive presentment and demand for payment, notice of dishonor, protest and notice of protest and non-payment and all other notices of any kind, except for notices expressly provided for in this Note or the Agreement. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note or the Agreement made by agreement between Holder or any other person or party shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Obligor, and any other person or entity who may become liable for the payment of all or any part of the Debt, under this Note or the Agreement. No notice to or demand on Obligor shall be deemed to be a waiver of the obligation of Obligor or of the

right of Holder to take further action without further notice or demand as provided for in this Note, or the Agreement.

**[Signatures begin on next page.]**

**BORREGO WATER DISTRICT**, a public corporation

By: \_\_\_\_\_  
President

**ATTEST:**

\_\_\_\_\_  
District Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Lisa A. Foster, Esq.  
McDougal, Love, Eckis, Boehmer & Foley  
Attorneys for Borrego Water District

**ATTACHMENT NO. 1**

**AMORTIZATION SCHEDULE**

| <b>AMORTIZATION SCHEDULE</b>  |                |                              |                 |                |
|---|----------------|------------------------------|-----------------|----------------|
| <i>(Commencing On the fifth (5th) anniversary of the date of this Note)</i> |                |                              |                 |                |
| Amount of Loan: \$1,275,000   |                | Payment Frequency: Quarterly |                 |                |
| Annual Interest Rate: 4.00%   |                | Compounding: No – Simple     |                 |                |
| Quarterly Payment: \$20,228.82  |                | Term of Loan: 25 Years       |                 |                |
| <i>(Final Payment is \$20,229.26)</i>                                       |                |                              |                 |                |
| <b>Payment No.</b>  | <b>Payment</b> | <b>Principal</b>             | <b>Interest</b> | <b>Balance</b> |
|   |                |                              |                 | 1,275,000.00   |
| 1   | 20,228.82      | 7,478.82                     | 12,750.00       | 1,267,521.18   |
| 2   | 20,228.82      | 7,553.61                     | 12,675.21       | 1,259,967.57   |
| 3   | 20,228.82      | 7,629.14                     | 12,599.68       | 1,252,338.43   |
| 4   | 20,228.82      | 7,705.44                     | 12,523.38       | 1,244,632.99   |
| 5   | 20,228.82      | 7,782.49                     | 12,446.33       | 1,236,850.50   |
| 6   | 20,228.82      | 7,860.31                     | 12,368.51       | 1,228,990.19   |
| 7   | 20,228.82      | 7,938.92                     | 12,289.90       | 1,221,051.27   |
| 8   | 20,228.82      | 8,018.31                     | 12,210.51       | 1,213,032.96   |
| 9   | 20,228.82      | 8,098.49                     | 12,130.33       | 1,204,934.47   |
| 10  | 20,228.82      | 8,179.48                     | 12,049.34       | 1,196,754.99   |
| 11  | 20,228.82      | 8,261.27                     | 11,967.55       | 1,188,493.72   |
| 12  | 20,228.82      | 8,343.88                     | 11,884.94       | 1,180,149.84   |
| 13  | 20,228.82      | 8,427.32                     | 11,801.50       | 1,171,722.52   |
| 14  | 20,228.82      | 8,511.59                     | 11,717.23       | 1,163,210.93   |
| 15  | 20,228.82      | 8,596.71                     | 11,632.11       | 1,154,614.22   |
| 16  | 20,228.82      | 8,682.68                     | 11,546.14       | 1,145,931.54   |
| 17  | 20,228.82      | 8,769.50                     | 11,459.32       | 1,137,162.04   |
| 18  | 20,228.82      | 8,857.20                     | 11,371.62       | 1,128,304.84   |
| 19  | 20,228.82      | 8,945.77                     | 11,283.05       | 1,119,359.07   |
| 20  | 20,228.82      | 9,035.23                     | 11,193.59       | 1,110,323.84   |
| 21  | 20,228.82      | 9,125.58                     | 11,103.24       | 1,101,198.26   |
| 22  | 20,228.82      | 9,216.84                     | 11,011.98       | 1,091,981.42   |
| 23  | 20,228.82      | 9,309.01                     | 10,919.81       | 1,082,672.41   |
| 24  | 20,228.82      | 9,402.10                     | 10,826.72       | 1,073,270.31   |
| 25  | 20,228.82      | 9,496.12                     | 10,732.70       | 1,063,774.19   |
| 26  | 20,228.82      | 9,591.08                     | 10,637.74       | 1,054,183.11   |
| 27  | 20,228.82      | 9,686.99                     | 10,541.83       | 1,044,496.12   |
| 28  | 20,228.82      | 9,783.86                     | 10,444.96       | 1,034,712.26   |
| 29  | 20,228.82      | 9,881.70                     | 10,347.12       | 1,024,830.56   |

|    |           |           |           |              |
|----|-----------|-----------|-----------|--------------|
| 30 | 20,228.82 | 9,980.51  | 10,248.31 | 1,014,850.05 |
| 31 | 20,228.82 | 10,080.32 | 10,148.50 | 1,004,769.73 |
| 32 | 20,228.82 | 10,181.12 | 10,047.70 | 994,588.61   |
| 33 | 20,228.82 | 10,282.93 | 9,945.89  | 984,305.68   |
| 34 | 20,228.82 | 10,385.76 | 9,843.06  | 973,919.92   |
| 35 | 20,228.82 | 10,489.62 | 9,739.20  | 963,430.30   |
| 36 | 20,228.82 | 10,594.52 | 9,634.30  | 952,835.78   |
| 37 | 20,228.82 | 10,700.46 | 9,528.36  | 942,135.32   |
| 38 | 20,228.82 | 10,807.47 | 9,421.35  | 931,327.85   |
| 39 | 20,228.82 | 10,915.54 | 9,313.28  | 920,412.31   |
| 40 | 20,228.82 | 11,024.70 | 9,204.12  | 909,387.61   |
| 41 | 20,228.82 | 11,134.94 | 9,093.88  | 898,252.67   |
| 42 | 20,228.82 | 11,246.29 | 8,982.53  | 887,006.38   |
| 43 | 20,228.82 | 11,358.76 | 8,870.06  | 875,647.62   |
| 44 | 20,228.82 | 11,472.34 | 8,756.48  | 864,175.28   |
| 45 | 20,228.82 | 11,587.07 | 8,641.75  | 852,588.21   |
| 46 | 20,228.82 | 11,702.94 | 8,525.88  | 840,885.27   |
| 47 | 20,228.82 | 11,819.97 | 8,408.85  | 829,065.30   |
| 48 | 20,228.82 | 11,938.17 | 8,290.65  | 817,127.13   |
| 49 | 20,228.82 | 12,057.55 | 8,171.27  | 805,069.58   |
| 50 | 20,228.82 | 12,178.12 | 8,050.70  | 792,891.46   |
| 51 | 20,228.82 | 12,299.91 | 7,928.91  | 780,591.55   |
| 52 | 20,228.82 | 12,422.90 | 7,805.92  | 768,168.65   |
| 53 | 20,228.82 | 12,547.13 | 7,681.69  | 755,621.52   |
| 54 | 20,228.82 | 12,672.60 | 7,556.22  | 742,948.92   |
| 55 | 20,228.82 | 12,799.33 | 7,429.49  | 730,149.59   |
| 56 | 20,228.82 | 12,927.32 | 7,301.50  | 717,222.27   |
| 57 | 20,228.82 | 13,056.60 | 7,172.22  | 704,165.67   |
| 58 | 20,228.82 | 13,187.16 | 7,041.66  | 690,978.51   |
| 59 | 20,228.82 | 13,319.03 | 6,909.79  | 677,659.48   |
| 60 | 20,228.82 | 13,452.23 | 6,776.59  | 664,207.25   |
| 61 | 20,228.82 | 13,586.75 | 6,642.07  | 650,620.50   |
| 62 | 20,228.82 | 13,722.62 | 6,506.20  | 636,897.88   |
| 63 | 20,228.82 | 13,859.84 | 6,368.98  | 623,038.04   |
| 64 | 20,228.82 | 13,998.44 | 6,230.38  | 609,039.60   |
| 65 | 20,228.82 | 14,138.42 | 6,090.40  | 594,901.18   |
| 66 | 20,228.82 | 14,279.81 | 5,949.01  | 580,621.37   |
| 67 | 20,228.82 | 14,422.61 | 5,806.21  | 566,198.76   |
| 68 | 20,228.82 | 14,566.83 | 5,661.99  | 551,631.93   |
| 69 | 20,228.82 | 14,712.50 | 5,516.32  | 536,919.43   |
| 70 | 20,228.82 | 14,859.63 | 5,369.19  | 522,059.80   |

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ATTACHMENT NO. 1

|              |                     |                     |                   |             |
|--------------|---------------------|---------------------|-------------------|-------------|
| 71           | 20,228.82           | 15,008.22           | 5,220.60          | 507,051.58  |
| 72           | 20,228.82           | 15,158.30           | 5,070.52          | 491,893.28  |
| 73           | 20,228.82           | 15,309.89           | 4,918.93          | 476,583.39  |
| 74           | 20,228.82           | 15,462.99           | 4,765.83          | 461,120.40  |
| 75           | 20,228.82           | 15,617.62           | 4,611.20          | 445,502.78  |
| 76           | 20,228.82           | 15,773.79           | 4,455.03          | 429,728.99  |
| 77           | 20,228.82           | 15,931.53           | 4,297.29          | 413,797.46  |
| 78           | 20,228.82           | 16,090.85           | 4,137.97          | 397,706.61  |
| 79           | 20,228.82           | 16,251.75           | 3,977.07          | 381,454.86  |
| 80           | 20,228.82           | 16,414.27           | 3,814.55          | 365,040.59  |
| 81           | 20,228.82           | 16,578.41           | 3,650.41          | 348,462.18  |
| 82           | 20,228.82           | 16,744.20           | 3,484.62          | 331,717.98  |
| 83           | 20,228.82           | 16,911.64           | 3,317.18          | 314,806.34  |
| 84           | 20,228.82           | 17,080.76           | 3,148.06          | 297,725.58  |
| 85           | 20,228.82           | 17,251.56           | 2,977.26          | 280,474.02  |
| 86           | 20,228.82           | 17,424.08           | 2,804.74          | 263,049.94  |
| 87           | 20,228.82           | 17,598.32           | 2,630.50          | 245,451.62  |
| 88           | 20,228.82           | 17,774.30           | 2,454.52          | 227,677.32  |
| 89           | 20,228.82           | 17,952.05           | 2,276.77          | 209,725.27  |
| 90           | 20,228.82           | 18,131.57           | 2,097.25          | 191,593.70  |
| 91           | 20,228.82           | 18,312.88           | 1,915.94          | 173,280.82  |
| 92           | 20,228.82           | 18,496.01           | 1,732.81          | 154,784.81  |
| 93           | 20,228.82           | 18,680.97           | 1,547.85          | 136,103.84  |
| 94           | 20,228.82           | 18,867.78           | 1,361.04          | 117,236.06  |
| 95           | 20,228.82           | 19,056.46           | 1,172.36          | 98,179.60   |
| 96           | 20,228.82           | 19,247.02           | 981.80            | 78,932.58   |
| 97           | 20,228.82           | 19,439.49           | 789.33            | 59,493.09   |
| 98           | 20,228.82           | 19,633.89           | 594.93            | 39,859.20   |
| 99           | 20,228.82           | 19,830.23           | 398.59            | 20,028.97   |
| 100          | 20,229.26           | 20,028.97           | 200.29            | 0.00        |
| <b>TOTAL</b> | <b>2,022,882.44</b> | <b>1,275,000.00</b> | <b>747,882.44</b> | <b>0.00</b> |

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is made and effective as of this \_\_\_\_ day of \_\_\_\_\_, 2011, by and among Monica Real Estate Holdings, L.P., a California Partnership, (“Monica”) and the Borrego Water District (“District”), with Monica and District collectively referred to as the “Parties.”

### RECITALS

WHEREAS, disputes have arisen in connection with issues pertaining to (i) that certain Purchase and Sale Agreement (Exclusive Groundwater Easement) and Joint Escrow Instructions dated October 4, 2007, by and between Monica and the District (the “Monica Agreement”) and (ii) that certain Grant of Exclusive Groundwater Easement and Incidental Nonexclusive Easement to Borrego Water District recorded November 14, 2007, as Document No. 2007-0718802 (the “BWD Easement”), wherein Monica granted 150 Water Credits to the District for a total of 190 Water Credits; and

WHEREAS, the parties have received conflicting information regarding the size of the combined real property defined as the “Property” and the “Retained Property” in the Monica Agreement (collectively, the “Total Monica Property”); and

WHEREAS, Monica represents and warrants in the BWD Easement that the Total Monica Property historically used a total of 190 acre feet of water per year to maintain citrus groves thereon. Monica has provided the District two years’ worth of SDG&E electric records from the property’s water pump, and the District reviewed these records of water usage. Monica and the District entered into the 2007 Exclusive Groundwater Easement to Borrego Water District which provided in Section 8(s)(iii): “Nothing in this Groundwater Easement shall limit Grantor from transferring its groundwater rights derived from the retained property up to a maximum of forty (40) acre feet of water per year to a third party.”; and

WHEREAS, the BWD Easement reserves to Monica and its successors in interest the right to use a maximum of one (1) acre foot of water per year (one Water Credit) for any lawful use other than agricultural irrigation, to be drawn from and used for the benefit of the Retained Property; and

WHEREAS, in 2008 after the close of escrow on the Monica Agreement and recordation of the BWD Easement, Monica sold to KRS Development, Inc. 401(k) Retirement Savings Plan (002) FBO Kent R Smith (“KRS Hawaii”) an easement (the “Hawaii Easement”) over 6.5789 acres of real property (25 Water Credits) comprising a portion of the “Retained Property” as that term is defined in the BWD Easement; and

WHEREAS, in 2009 after the recordation of the BWD Easement, close of escrow on the Monica Agreement, and recordation of the Hawaii Easement, the District adopted its Steven

Smiley Memorial Water Credit and Mitigation Policy (the “Mitigation Policy”), which Mitigation Policy established the consumptive use of citrus groves at five (5) acre feet of water per acre per year and established that the District would issue AG-1 credits when live citrus was eliminated, as Monica accomplished pursuant to the BWD Easement; and

WHEREAS, Monica now claims entitlement to 15 AG-1 Water Credits from all or a portion of the remainder of the “Retained Property” as that term is defined in the BWD Easement; however, the District and Monica disagree as to the quantity of Water Credits to which Monica is entitled under the Mitigation Policy; and

WHEREAS, Monica has threatened to sue the District to recover all or a portion of the Water Credits to which it claims entitlement; and

WHEREAS, the Parties desire to settle their disputes without litigation and the associated expenditures of time and money.

NOW THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

1. **Incorporation by Reference.** The Recitals set forth above are incorporated herein by this reference and made a part of this Agreement. Capitalized words and phrases used in this Agreement and not otherwise defined herein have the meaning set forth in the BWD Easement. Capitalized words and phrases used in this Agreement and not otherwise defined herein or in the BWD Easement have the meaning set forth in the Monica Agreement.

2. **Obligations of the Parties.**

- a. Consistent with the terms set forth in the Monica Agreement, the BWD Easement over that portion of the Total Monica Property that is not the subject of the BWD Easement or the Hawaii Easement (the New Monica Easement), the District shall, under its Mitigation Policy, issue an easement over the remainder property and Fifteen (15) AG-1 Water Credits (Monica credits) to such person or entity as Monica may designate in writing at no cost to Monica.
- b. Or, at Monica’s discretion, the District shall issue an easement as described above in Item 2(a) and 14 AG-1 Water Credits to such person or entity as Monica may designate in writing, reserving up to a maximum of one AG-1 Water Credit to Monica and its successors in interest, the right to use one acre foot of water per year which is drawn from the well and used for any lawful use other than agricultural irrigation for the benefit of the Retained Property as that term is defined in the BWD easement.

- c. The District shall bear the cost of a title report to establish free and clear title to the remainder property subject to the easement in Item 2(a) and or 2(b).
- d. Monica shall not be required to comply with the provisions of Section 5(A)(1) through 5(A)(5), 5(B)(iii) or 5(B)(v) of the Mitigation Policy with regard to the initial issuance of the Monica Credits pursuant to this Agreement. Any future transfer, conveyance or other change to the Monica Credits must comply in every respect with the Mitigation Policy, including, but not limited to, payment of fees.
- e. The parties acknowledge that Monica has previously complied with the provisions of Section 5(B)(ii) of the Mitigation Policy.

3. **Mutual Waiver of Costs and Attorneys' Fees.** Each Party shall bear its own legal fees and costs as to any and all matters leading up to and including the preparation of this Agreement.

4. **Mutual Release Between Monica and District.** In consideration of the foregoing, and excepting only the promises and obligations set forth herein and in the BWD Easement, the District and Monica hereby irrevocably and unconditionally release and forever discharge one another and each of their respective predecessors, successors, assigns, directors, officers, trustees, members, executors and administrators, agents, employees, representatives, attorneys, affiliates and all persons acting by, through, under or in concert with any of them (collectively "Releasees") or any of them, from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, judgments, losses, costs, and expenses, including, without limitation, attorneys' fees, of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent (hereinafter "Claim" or "Claims") which they now have, own, hold or claim to have, own or hold, or at any time heretofore had, owned, held or claimed to have, own or hold, against one another or any of their Releasees, including but not limited to those claims which arise from, are based upon, or are related to (i) consumptive use and/or quantity of water historically used on the Total Monica Property or any portion thereof, (ii) the size of the Total Monica Property and/or (iii) the calculation of Water Credits attributable to the Total Monica Property or any portion thereof. Notwithstanding the foregoing, the Parties' mutual releases of each other shall not affect, discharge, or release Claims, whether known or unknown, which arise from or relate to the rights or obligation of the Parties, whether presently existing or subsequently accruing, with respect to the performance of any obligations or the exercise of any rights created by and arising under this Agreement, the BWD Easement, the Hawaii Easement and/or Sections 10, 11, 14, 16 and/or 17 of the Monica Agreement.

5. **Unknown Claims.** The Parties acknowledge that there is a risk that subsequent to the execution of this Agreement, they may discover, incur or suffer from Claims which were unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arise from, are based upon or relate to any existing issue regarding (i) consumptive use and/or quantity of water historically used on the Total Monica Property or any portion thereof, (ii) the size of the Total Monica Property and/or (iii) the

calculation of Water Credits attributable to the Total Monica Property or any portion thereof, which, if known by them on the date this Agreement is being executed, may have materially affected their decision to execute this Agreement. District and Monica acknowledge that they are assuming the risk of such unknown and unanticipated Claims and agree that this release of the other parties hereto and such other parties' Releasees applies thereto. District and Monica expressly waive the benefits of Section 1542 of the California Civil Code, which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The foregoing release of unknown claims shall not affect, discharge, or release Claims, whether known or unknown, which arise from or relate to the rights or obligation of the Parties, whether presently existing or subsequently accruing, with respect to the performance of any obligations or the exercise of any rights created by and arising under this Agreement, the BWD Easement, the Hawaii Easement and/or Sections 10, 11, 14, 16 and/or 17 of the Monica Agreement.

6. **Full and Independent Knowledge.** Each Party represents that it has been represented by independent counsel of its own choosing in connection with the preparation and review of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein.

7. **Ownership of Claims.** Each Party represents and warrants to the other parties and such other parties' Releasees that it has not assigned or transferred or purported to assign or transfer the New Monica Easement or any portion thereof, any Claim, or any portion thereof or any interest therein, and agrees to indemnify, defend, and hold the other parties and such other parties' Releasees harmless from and against any Claim based on or arising out of any such assignment or transfer, or purported assignment or transfer.

8. **Compromise.** Each Party agrees that this Agreement is the result of a compromise and shall never at any time or for any purpose be considered as an admission of liability or responsibility on the part of any Party.

9. **Successors.** This Agreement shall be binding upon the heirs, administrators, executors, successors and assigns of each of the Parties and this Agreement shall inure to the benefit of the heirs, administrators, executors, successors and assigns of each of the Parties.

10. **Partial Invalidity.** Subject to the provisions of Section 3 above, should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall, to the greatest extent permissible by law, not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement and the balance of this Agreement shall continue to be in full force and effect.

11. **Discovery of Additional Facts.** Monica and District agree and acknowledge that if they, or any of them, hereafter discover facts different from or in addition to those they, or any of them, now know or believe to be true with respect to the matters released herein, Monica and District nonetheless agree that the releases set forth herein shall be and will remain effective in all respects notwithstanding discovery of different or additional facts.

12. **No Representations.** Except as expressly provided in this Agreement, no Party or any officer, agent, employee, representative or attorney of or for any Party, has made any statement or representation to any other party regarding any fact relied upon by any other party entering into this Agreement, and no Party has relied upon any statement, representation or promise of any other party, or of any other officer, agent, employee or attorney for the other party, in executing this Agreement or in making the settlement provided for herein, except as expressly stated herein. To the extent that any Party relies upon any statement, representation or fact not set forth in this Agreement, it does so at its own risk and expressly waives any right to rely upon such a statement, representation or fact.

13. **Factual Investigation.** Monica and District have made such investigation of the facts pertaining to this settlement and the releases set forth herein and all matters pertaining hereto as it deems necessary. In entering into this Agreement, Monica and District assume the risk of any mistake. The releases set forth in this Agreement are intended to be final and binding upon and between the Parties, regardless of any future or existing claims of misrepresentations, promises made without the intention of performing them, mistake of fact or law, or any other circumstances whatsoever, except as set forth above.

14. **Notices.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered personally to the recipient; (ii) sent to the recipient by reputable express courier service (charges prepaid) or mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid; or (iii) transmitted by telecopier or electronically to the recipient with a confirmation copy to follow the next day to be delivered by overnight carrier or regular mail. Such notices, demands or other communications shall be sent to the addresses indicated below:

- a. If to District: Jerry Rolwing, Interim General Manager  
Borrego Water District  
P.O. Box 1870  
806 Palm Canyon Drive  
Borrego Springs, CA 92004  
Telephone: (760) 767-5806  
Facsimile: (760) 390-7101

Notice shall be given to such other address or to the attention of such other person as the recipient Party has specified by prior written notice to the sending Party. Date of service of such notice shall be the earlier of (i) the date such notice is personally delivered or delivered electronically or via facsimile, so long as a hard copy is mailed on the same date if delivery was by e-mail or facsimile; (ii) three (3) days after the date of mailing if sent by certified or registered

mail; or (iii) one day after the date of delivery to a bona fide overnight courier service if sent by such overnight courier.

15. **Choice of Law.** This Agreement and the rights of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of California including all matters of construction, validity, performance, and enforcement and without giving effect to the principles of conflict of laws.

16. **Jurisdiction.** The Parties submit to the jurisdiction of the Federal Court (Southern District of California) and State Court (San Diego Superior Court, Central Division) for the resolution of all legal disputes arising under the terms of this Agreement.

17. **Entire Agreement.** Except as provided herein, this Agreement, including exhibits, contains the entire agreement of the Parties, and shall be deemed to supersede all pre-existing negotiations, representations or agreements and all other oral, written, or other communications between them concerning the subject matter of this Agreement unless reduced to writing and executed by all of the Parties to the Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein.

18. **Captions.** The captions in this Agreement are inserted only as a matter of convenience and for reference and shall not be deemed to define, limit, enlarge, or describe the scope of this Agreement or the relationship of the Parties, and shall not affect or provide any substantive content to this Agreement or the construction of any provisions herein.

19. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

20. **Modification.** No change, modification, addition, or amendment to this Agreement shall be valid unless in writing and signed by all the Parties, except as otherwise set forth in this Agreement.

21. **Negotiations.** The Parties mutually agree and warrant that all negotiations relative to this Agreement have been carried on by them directly. No brokerage, finder's fee, or other commission is or will be due to any person or entity relative to this Agreement or the transactions contemplated hereby.

IN WITNESS WHEREOF, this Agreement has been executed by the following to be effective as of the date first written above.

**OWNER: MONICA REAL ESTATE HOLDINGS, L.P.**

By: \_\_\_\_\_  
Rudy Monica, General Partner

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Attorneys for Monica Real Estate Holdings, L.P.

By: \_\_\_\_\_  
Lisa A. Foster  
McDougal, Love, Eckis, Boehmer & Foley  
Attorneys for Borrego Water District

**BORREGO WATER DISTRICT**

By: \_\_\_\_\_  
Beth Hart, Board President

**ATTEST:**

By: \_\_\_\_\_  
Marshal Brecht, District Secretary

**BORREGO WATER DISTRICT**  
**POLICY STATEMENT**

---

**SUBJECT: WATER CREDIT REIMBURSEMENT POLICY**

**NO: 2011-07-01**

**ADOPTED: 2011-07-27**

**AMENDED:**

---

**Purpose:**

To establish a policy of reimbursement for water credits issued by the Borrego Water District (“District”) consistent with the policies established by other civic and county agencies when a property owner abandons his or her San Diego County Building permit for construction of a single family residence.

**Policy:**

1. Currently, property owners who are building a single family residence are required to purchase 2 water credits from the District when they apply for their San Diego County building permit. Property owners are also required to pay fees to the Borrego Springs Unified School District and the Borrego Springs Fire Protection District. Water credits may be purchased from other parties. Any reimbursement available pursuant to this Policy is not applicable to water credits purchased from parties other than the District.

2. When a property owner, after purchasing a Water Credit Certificate for 2 water credits from the District, abandons his or her building permit from San Diego County, the District will reimburse the water credit fees as follows:

- 1) The property owner must provide documented proof that he or she has abandoned his or her building permit with San Diego County. This documentation may consist of a certified copy of the entry in the County of San Diego’s permits database showing that the permit has been abandoned, or other similar certified documentation from the County of San Diego.
- 2) The individual parcel owner must make a written notarized request to return the Water Credit Certificate(s) previously issued by the District.
- 3) The request shall be submitted to the District’s General Manager.
- 4) If the property owner has met all of the criteria set forth in this Policy for water credit reimbursement and has submitted the required documentation from the County of San Diego, as determined by the General Manager, the District shall reimburse the property owner in the amount of the purchase price of the original water credits, minus an administrative fee of five hundred dollars (\$500.00) per credit.
- 5) The returned water credits will be placed back on the market for purchase.

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Jerry,

As discussed on the phone, our pump rig is not available until October; therefore, we were hoping that the Borrego Water District would contract with a local pump company to install temporary pumps in MW-1 and MW-4. Our plan is to collect a water-quality sample and drawdown data from MW-1 and depth-dependent flow and water-quality data from MW-4. The specifications for each test is listed below. We would like to schedule the work the week of August 8th. Please let me know if you have any questions concerning the specifications. Thanks for your help.

Peter

**MW-1, 10S/06E21A02 331802116205801**

Estimate one day of labor

At this site, we will need:

1. Contractor to attach a USGS transducer just above the pump.
2. Install a 50 gpm pump about 200' below water level.
3. Discharge water onto nearby field.
4. Run pump until sampling completed
5. Remove pump

MW-1, from drillers report:

Well is 4" and 900' deep, water level is about 244' below land surface.

0-780', Blank Casing , A53B, ID=4.03"

780-800, Blank Casing, 304SS, ID= 4.26"

800-890, Screen, 304SS, ID= 4.125"

890-900, Blank Casing, 304SS, ID= 4.26"

From the drillers report, MW1 draws down 418' @ 150gpm.

**MW-4 , 10S/06E35Q01, 331527116184701**

One-two days of labor

At this site, we will need:

1. Contractor to attach a USGS transducer just above the pump.
2. After USGS installs flow tool in well,( logging cable will be coming out of well), install a 150 gpm pump about 150' below land surface.
3. Discharge water onto field, may need lay-flat hose or pipe to divert water away from road and airfield.
4. USGS runs flow tool in well while pumping.
5. Contractor to remove pump from well,
6. USGS remove flow tool.
7. USGS installs sample pump into well,
8. Contractor install pump back into well at same depth, access for sample hose out the top of well needed.
9. Pump run for duration of sampling, USGS samples @ multiple depths and surface
10. Contractor remove pump
11. USGS remove sample pump

Well MW-4 is 6" and 390' deep, water level is about 100' below land surface.

0-85', Blank Casing , steel, 6"

85-390, Perf, 304SS, 6"

From the Aquifer test report, MW-4 draws down 12.38' @ 200gpm.

\*\*\* ESTIMATE \*\*\*

HIDDEN VALLEY PUMP SYS., INC.  
 31248 B VALLEY CENTER ROAD  
 VALLEY CENTER, CA. 92082  
 760-749-2209

ESTIMATE NO.:000093660000  
 CUSTOMER NO.:00038  
 DATE: 07/21/11

TO:  
 BORREGO WATER DISTRICT  
 P. O. BOX 1870  
 806 PALM CANYON DRIVE  
 BORREGO SPRINGS, CA 92004

SHIP TO:  
 JERRY ROLWING: 419-3743  
 GREG: 419-3681  
 ROY: 419-2764

SALESPERSON ... 06

Contacts: 1. JERRY (760) 767-5806  
 2. JERRY (760) 419-3743  
 3. GREG'S CELL (760) 419-3681  
 4. FAX (760) 767-5994

| QUANTITY | DESCRIPTION   | UNIT PRICE | AMOUNT   |
|----------|---|------------|----------|
|          | MONITORING WELLS MW-1 AND MW-4.<br>SUPPLY AND INSTALL TEST PUMPS PER<br>SPECIFICATIONS OF USGS FOR WATER<br>QUALITY SAMPLING. |            |          |
| 1        | SPLICE KIT,#10  | 11.60T     | 11.60    |
| 1        | SPLICE KIT,#6   | 26.81T     | 26.81    |
| 4        | PIPE WRAP 10 MIL  | 6.58T      | 26.32    |
| 1        | MISCELLANEOUS MATERIAL  | 50.00T     | 50.00    |
| 1        | RENTAL - TEST PUMP EQUIPMENT  | 1,400.00   | 1,400.00 |
| 1        | RENTAL - 40KW GENERATOR   | 800.00     | 800.00   |
| 1        | LODGING/PER DIEM, 2 MEN, 2 DAYS   | 808.00     | 808.00   |
| 1        | LABOR PER ESTIMATE  | 5,085.00   | 5,085.00 |

NOTE: EQUIPMENT RENTAL PERIOD UP  
 TO 1 WEEK. ANY ADDITIONAL RENTAL  
 TIME WILL RESULT IN ADDITIONAL  
 RENTAL CHARGES. THREE DAYS FIELD  
 LABOR AND MOB/DEMOB INCLUDED.

1 TERMS:  
 PAYMENT TO BE MADE AS FOLLOWS:  
 IN FULL UPON COMPLETION

WE ACCEPT VISA/MASTERCARD.

NOT CONTIGENT UPON CONNECTION TO  
 ANY SERVING UTILITY.  
 THIS PROPOSAL MAY BE WITHDRAWN BY  
 US IF NOT ACCEPTED WITHIN 30 DAYS.  
 PLEASE SIGN AUTHORIZING ACCEPTANCE

\* T H A N K Y O U \*      SUB-TOTAL      8,207.73  
                                  SALES TAX      8.89                      TOTAL      8,216.62

**RESOLUTION NO. 2011-7-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BORREGO WATER DISTRICT RESTATING AND  
ADOPTING A STATEMENT OF INVESTMENT POLICY**

WHEREAS, the Board of Directors (“Board”) of the Borrego Water District (the “District”) desires to rescind Resolution No. 2010-7-1 dated July 28, 2010 and adopt an Annual Statement of Investment Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrego Water District that the following is the investment policy of the Borrego Water District:

**INVESTMENT POLICY:**

**1. Annual Statement of Investment Policy:**

In accordance with the California Government Code, the District Treasurer will render an annual statement of investment policy to the Board of Directors. The Board will review and affirm or amend the policy at that time.

**2. Investment Objectives:**

- a. **Safety:** It is the primary duty and responsibility of the Treasurer to protect, preserve and maintain the cash and investments placed in his trust on behalf of the citizens of the community.
- b. **Liquidity:** an adequate percentage of the portfolio should be maintained in liquid short-term securities, which can be converted to cash if necessary to meet disbursement requirements.
- c. **Yield:** Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

**3. Investment Policy:**

- a. **Collateralization:** The District requires banks or savings and loans to collateralize investments in excess of FDIC amounts, currently insured up to \$250,000, with government securities valued at 110% of the amount of deposit with said bank or savings and loan. Said collateral is to be held in an independent safekeeping account in the District’s name.

**b. Authorized Investments and Portfolio Limits:**

- 1) Local Agency Investment Fund: District money may be invested in the Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code. Such deposits shall not exceed 98% of the District's total available investment capital. Total investment capital is defined to be all bank accounts plus the District's Direct Investments with the Local Agency Investment Fund.
- 2) FDIC Insured Institutions' Certificates of Deposit and Savings Accounts: District investments shall not exceed 95% of the District's total investment capital or more than 75% in a single FDIC-insured financial institution unless provision 4), below is used.
- 3) U.S. Government Bills, Notes, Bonds and Overnight Money Market Funds which invest entirely in U.S. Government Bills, Notes and Bonds: The limit in the amount of the investment portfolio in these instruments is 20%, maturity will be limited to a maximum of five years.
- 4) Certificates of Deposit, Account Registry Services (CDARS): The Board may divert 95% of its' investments to a financial institution which provides CDARS. All of the CDARS investments shall be FDIC insured.

- c. **Treasurer's Reports:** The Treasurer shall provide a quarterly report showing the type of investment, issuer, maturity, par and dollar amount, market value of portfolio and source of the valuation. The Quarterly Report may list Money Market Funds and funds in the State of California Local Agency Investment Fund (LAIF) as cash. The Quarterly Report shall state the compliance of the portfolio with the Statement of Investment Policy and the Borrego Water District's ability to meet its expenditure requirement for the next six months.

**ADOPTED, SIGNED AND APPROVED** by the Board of Directors of the Borrego Water District this 27th day of July, 2011.

---

Beth Hart, President Board of Directors of Borrego Water District

ATTEST:

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Marshal Brecht, Secretary Board of Directors of Borrego Water District

STATE OF CALIFORNIA )

)

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 No. 2011-7-1 was duly adopted by the Board of Directors of said District at the Regular Meeting of the Board of Directors held on July 27, 2011, and that it was so adopted by the following vote:

AYES: DIRECTORS:  
NOES: DIRECTORS:  
ABSENT: DIRECTORS:  
ABSTAIN: DIRECTORS:

\_\_\_\_\_  
Marshal Brecht, Secretary  
Board of Directors Borrego Water District

(SEAL)

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. 2011-7-1, of said Board, and that the same has not been amended or repealed.

Dated: July 27, 2011

\_\_\_\_\_  
Marshal Brecht, Secretary  
Board of Directors Borrego Water District

(SEAL)

**RESOLUTION NO. 2011-7-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BORREGO WATER DISTRICT, SAN DIEGO COUNTY,  
CALIFORNIA, LEVYING STANDBY CHARGES AND/OR  
ACREAGE ASSESSMENTS TO DEFRAY THE COST OF  
OPERATIONS AND MAINTENANCE OF THE DISTRICT  
AND REQUESTING THE LEVY AND COLLECTION OF  
SAID STANDBY CHARGES AND/OR ACREAGE  
ASSESSMENTS ON LAND WITHIN THE DISTRICT FOR  
THE FISCAL YEAR 2011-2012**

**WHEREAS**, *Section 35470* of the Water Code of the State of California provides that a California Water District may in lieu, in whole, or in part, of raising funds for District purposes by ad valorem assessments, levy standby charges and/or acreage assessments on land to defray the cost of operations and maintenance and for any lawful district purpose; and

**WHEREAS**, the Board of Directors has determined that it is deemed advisable and necessary to fix and levy standby charges and/or acreage assessments for the purpose of defraying certain operations and maintenance costs for the Fiscal Year 2011-2012;

**NOW, THEREFORE**, the Board of Directors of Borrego Water District **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

**SECTION 1.** There is hereby fixed standby charges and/or acreage assessments in the amounts on land within the District as shown on Exhibit A attached hereto and made a part hereof to defray the cost of operations and maintenance for the Fiscal Year 2011-2012. This Board of Directors hereby determines that said standby charges and/or acreage assessments in an amount not exceeding the assessments set forth in Exhibit A was existing prior to July 1, 1997 and that said assessments are exempt from the provisions of Article XIID of the Constitution of the State of California.

**SECTION 2.** Pursuant to *Section 35479* of the Water Code, the Board of Supervisors of the County of San Diego is hereby requested at the time and manner of levying other County taxes to make levies in the amounts on land within the District, as shown on Exhibit A, and cause to be collected the amounts specified therein.

**SECTION 3.** The Secretary of the District is hereby directed to submit to the Board of Supervisors and the Auditor/Controller of the County of San Diego a certified copy of this Resolution along with other documents as may be required.



**Water Availability Standby Charge (Fund 6415-01)  
Fiscal Year 2011-12 Standby Charge Requirement [1]**

|   |                    |                    |
|---|--------------------|--------------------|
| <b>FISCAL YEAR OBLIGATIONS:</b>               | <b>2010-11</b>     | <b>2011-12</b>     |
| Water Availability Standby Charge             | \$82,650.00        | \$82,764.00        |
| <b>FISCAL YEAR STANDBY CHARGE REQUIREMENT</b> | <b>\$82,650.00</b> | <b>\$82,764.00</b> |

| <b>FY</b> | <b># of Parcels Taxed in District</b> | <b>Tax Rate<br/>(per parcel)</b> | <b>Total Standby<br/>Charge</b> |
|-----------|---------------------------------------|----------------------------------|---------------------------------|
| 2010-11   | 3,625                                 | \$22.80                          | \$82,650.00                     |
| 2011-12   | 3,630                                 | \$22.80                          | \$82,764.00                     |

[1] Parcels based on FY 11-12 County Assessor's roll.

K:\CLIENTS2\BORREGO.SPRAADMIN\11-12\all other levies\TAX REQUIREMENT 02.123

**RESOLUTION NO. 2011-7-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BORREGO WATER DISTRICT, SAN DIEGO COUNTY,  
CALIFORNIA, LEVYING STANDBY CHARGES AND/OR  
ACREAGE ASSESSMENTS TO DEFRAY THE COSTS OF  
OPERATIONS AND MAINTENANCE OF THE DISTRICT,  
AND TO PAY COSTS OF OPERATIONS AND  
MAINTENANCE FOR IMPROVEMENT DISTRICT NO. 1  
AND REQUESTING THE LEVY AND COLLECTION OF  
SAID STANDBY CHARGES AND/OR ACREAGE  
ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT  
DISTRICT NO. 1 FOR THE FISCAL YEAR 2011-2012**

**WHEREAS**, Improvement District No. 1 of the Borrego Water District was formed for the purpose of providing water, sewer and flood control service to the lands and inhabitants of the Improvement District and for said purpose water, sewer and flood control systems have been constructed for the benefit of said Improvement District; and

**WHEREAS**, by reason of the construction of said water, sewer and flood control systems, water, sewer and flood control service is now and will be available to lands therein and said water, sewer and flood control systems are a benefit to the lands lying within said Improvement District; and

**WHEREAS**, *Section 35470* of the Water Code of the State of California provides that a California Water District may in lieu, in whole, or in part, of raising funds for District purposes by ad valorem assessments, levy standby charges and/or acreage assessments on land, to defray the cost of operations and maintenance and for any lawful district purpose; and

**WHEREAS**, matters have been presented to and considered by the Board of Directors relating to the financial requirements of said Improvement District; and

**WHEREAS**, the Board of Directors has determined that it is deemed advisable and necessary to fix and levy standby charges and/or acreage assessments within Improvement District No. 1 for the purpose of paying certain operations and maintenance costs and the payment of a portion of the debt service on bonds of Improvement District No. 1 for the Fiscal Year 2011-2012;

**NOW, THEREFORE**, the Board of Directors of the Borrego Water District hereby **RESOLVE, DETERMINE AND ORDER** as follows:

**SECTION 1.** There is hereby fixed standby charges and/or acreage assessments in the amounts on land within Improvement District No. 1 as shown on Exhibit A attached hereto and made a part hereof for the payment of the cost of operation and maintenance for said Improvement District No. 1 for the Fiscal Year 2011-2012. This Board of Directors hereby determines that said standby charges and/or acreage assessments in an amount not exceeding the assessments set forth in Exhibit

A was existing prior to July 1, 1997 and that said assessments are exempt from the provisions of Article XIIIID of the Constitution of the State of California.

SECTION 2. Pursuant to *Section 35479* of the Water Code, the Board of Supervisors is requested at the time and manner of levying other County taxes to make levies in the amounts on said lots within Improvement District No. 1 as shown on Exhibit A and cause to be collected the amounts specified therein.

SECTION 3. The Secretary of the District is hereby directed to submit to the County Board of Supervisors and the County Auditor/Controller a certified copy of this Resolution along with other documents as may be required.

**ADOPTED, SIGNED AND APPROVED** this 27<sup>th</sup> day of July, 2011.

---

President of the Board of Directors of  
Borrego Water District

**ATTEST:**

---

Secretary of the Board of Directors of  
Borrego Water District



**ID No. 1 - Water, Sewer, and Flood Control (Fund 6415-02)  
Fiscal Year 2011-12 Assessment Requirement [1]**

| <b>FISCAL YEAR OBLIGATIONS:</b>           | <b>2010-11</b>      | <b>2011-12</b>      |
|---|---------------------|---------------------|
| Debt Service (Acct: 9.4930)               | \$0.00              | \$0.00              |
| Administrative Expenses (Acct: 1.4210)    | \$28,000.00         | \$28,000.00         |
| Flood (Acct: 8.4210)                      | \$10,800.00         | \$10,800.00         |
| Sewer (Acct: 6.4210)                      | \$120,200.00        | \$120,200.00        |
| <b>FISCAL YEAR ASSESSMENT REQUIREMENT</b> | <b>\$159,000.00</b> | <b>\$159,000.00</b> |

| <b>FY 2010-11 APN/# of<br/>Parcels Taxed</b> | <b>FY 2010-11<br/>Tax Rate</b> | <b>FY 2011-12 APN/#<br/>of Parcels Taxed</b> | <b>FY 2011-12<br/>Tax Rate</b> |
|--|--------------------------------|--|--------------------------------|
| 200-271-0300                                 | \$867.16                       | 200-271-0300                                 | \$867.16                       |
| 200-271-0400                                 | \$867.16                       | 200-271-0400                                 | \$867.16                       |
| 200-271-0600                                 | \$867.16                       | 200-271-0600                                 | \$867.16                       |
| 200-271-1500                                 | \$867.16                       | 200-271-1500                                 | \$867.16                       |
| 200-271-1600                                 | \$867.16                       | 200-271-1600                                 | \$867.16                       |
| 200-273-0400                                 | \$867.16                       | 200-273-0400                                 | \$867.16                       |
| 200-120-3900                                 | \$963.50                       | 200-120-3900                                 | \$963.50                       |
| 200-120-5200                                 | \$963.50                       | 200-120-5200                                 | \$963.50                       |
| 200-120-5300                                 | \$963.50                       | 200-120-5300                                 | \$963.50                       |
| 200-275-1100                                 | \$1,662.04                     | 200-275-1100                                 | \$1,662.04                     |
| 200-350-0100                                 | \$1,782.48                     | 200-350-0100                                 | \$1,782.48                     |
| 200-271-2300                                 | \$1,830.66                     | 200-271-2300                                 | \$1,830.66                     |
| 200-275-1000                                 | \$2,312.40                     | 200-275-1000                                 | \$2,312.40                     |
| 200-271-2900                                 | \$2,505.10                     | 200-271-2900                                 | \$2,505.10                     |
| 200-271-3400                                 | \$2,505.10                     | 200-271-3400                                 | \$2,505.10                     |
| 200-271-3700                                 | \$2,505.10                     | 200-271-3700                                 | \$2,505.10                     |
| 200-273-0600                                 | \$2,505.10                     | 200-273-0600                                 | \$2,505.10                     |
| 200-271-0700                                 | \$2,649.64                     | 200-271-0700                                 | \$2,649.64                     |
| 200-350-2400                                 | \$2,986.85                     | 200-350-2400                                 | \$2,986.85                     |
| 200-275-0800                                 | \$3,083.20                     | 200-275-0800                                 | \$3,083.20                     |
| 200-273-0300                                 | \$3,372.26                     | 200-273-0300                                 | \$3,372.26                     |
| 200-271-2400                                 | \$3,661.30                     | 200-271-2400                                 | \$3,661.30                     |
| 200-275-0900                                 | \$4,335.76                     | 200-275-0900                                 | \$4,335.76                     |
| 200-272-0800                                 | \$4,432.10                     | 200-272-0800                                 | \$4,432.10                     |
| 200-273-0200                                 | \$5,299.26                     | 200-273-0200                                 | \$5,299.26                     |
| 200-274-0200                                 | \$16,861.26                    | 200-274-0200                                 | \$16,861.26                    |
| 200-273-0800                                 | \$41,603.94                    | 200-273-0800                                 | \$41,603.94                    |
| 679  | \$66.00                        | 679  | \$66.00                        |
| <b>Total</b>                                 | <b>706</b>                     | <b>706</b>                                   | <b>\$158,801.01</b>            |

[1] Parcels based on FY 11-12 County Assessor's roll.

**RESOLUTION 2011-7-4**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BORREGO WATER DISTRICT, SAN DIEGO COUNTY,  
CALIFORNIA, LEVYING CHARGES AND/OR ACREAGE  
ASSESSMENTS TO DEFRAY THE COST OF PROVIDING  
PEST CONTROL SERVICES BY THE DISTRICT AND  
REQUESTING LEVY AND COLLECTION OF SAID  
CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE  
FISCAL YEAR 2011-2012**

**WHEREAS**, *Section 35565.5* of the Water Code of the State of California provides that a California Water District may, in the manner as provided in Section 35470 of the Water Code, in lieu, in whole or in part, of raising funds for District purposes by ad valorem assessments, levy charges and/or acreage assessments on land within the District to defray the cost of mosquito abatement and vector control services; and

**WHEREAS**, the Board of Directors has determined that it is deemed advisable and necessary to fix and levy charges and/or acreage assessments for the purpose of defraying the cost of providing mosquito abatement and vector control services for the Fiscal Year 2011-2012.

**NOW, THEREFORE**, the Board of Directors of Borrego Water District **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

**SECTION 1.** There is hereby fixed charges and/or acreage assessments in the amounts on land within the District as shown on Exhibit A attached hereto and made a part hereof to provide pest control services for the Fiscal Year 2011-2012. This Board of Directors hereby determines that said standby charges and/or acreage assessments in an amount not exceeding the assessments set forth in Exhibit A was existing prior to July 1, 1997 and that said assessments are exempt from the provisions of Article XIID of the Constitution of the State of California.

**SECTION 2.** Pursuant to Section 35479 of the Water Code, the Board of Supervisors of the County of San Diego is hereby requested at the time and manner of levying other County taxes to make levies in the amounts on land within the District, as shown on Exhibit A, and cause to be collected the amounts specified therein.

**SECTION 3.** The Secretary of the District is hereby directed to submit to the Board of Supervisors and the Auditor/Controller of the County of San Diego a certified copy of this Resolution.

**ADOPTED, SIGNED AND APPROVED** this 27<sup>th</sup> day of July, 2011.

---

President of the Board of Directors of  
Borrego Water District

ATTEST:

---

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 foregoing resolution was duly adopted by the Board of Directors of said District at a adjourned regular meeting held on the 27<sup>th</sup> day of July, 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. 2011-7-4, of said Board, and that the same has not been amended or repealed.

Dated:

---

Secretary of the Board of Directors of Borrego Water District

**Pest Control Standby (Fund 6415-03)  
Fiscal Year 2011-12 Standby Charge Requirement**

|   |                    |                    |
|---|--------------------|--------------------|
| <b>FISCAL YEAR OBLIGATIONS:</b>           | <b>2010-11</b>     | <b>2011-12</b>     |
| Pest Control Charge                       | \$17,950.00        | \$17,962.50        |
| <b>FISCAL YEAR ASSESSMENT REQUIREMENT</b> | <b>\$17,950.00</b> | <b>\$17,962.50</b> |

| FY 2010-11               |                      |                                  |                    |             |
|--------------------------|----------------------|----------------------------------|--------------------|-------------|
| APN / # of Parcels Taxed | Description          | % of Zone 1 Levy or Tax Rate [2] | Total Levy         |             |
| <i>Zone 1</i>            |                      |                                  |                    |             |
| 140-242-57               | De Anza GC           | 44%                              | \$2,689.00         |             |
| 141-210-59               | Roadrunner GC        | 22%                              | \$1,349.50         |             |
| <u>200-273-08</u>        | <u>Ram's Hill GC</u> | <u>34%</u>                       | <u>\$2,056.50</u>  |             |
| <i>Zone 1 Subtotal</i>   |                      | 100%                             | \$6,095.00         |             |
| <i>Zone 2</i>            | 4,742                | Residential Zone                 | \$2.50             | \$11,855.00 |
| <b>Total</b>             |                      |                                  | <b>\$17,950.00</b> |             |

| FY 2011-12               |                      |                                  |                    |             |
|--------------------------|----------------------|----------------------------------|--------------------|-------------|
| APN / # of Parcels Taxed | Description          | % of Zone 1 Levy or Tax Rate [2] | Total Levy         |             |
| <i>Zone 1</i>            |                      |                                  |                    |             |
| 140-242-57               | De Anza GC           | 44%                              | \$2,689.00         |             |
| 141-210-59               | Roadrunner GC        | 22%                              | \$1,349.50         |             |
| <u>200-273-08</u>        | <u>Ram's Hill GC</u> | <u>34%</u>                       | <u>\$2,056.50</u>  |             |
| <i>Zone 1 Subtotal</i>   |                      | 100%                             | \$6,095.00         |             |
| <i>Zone 2</i>            | 4,747                | Residential Zone                 | \$2.50             | \$11,867.50 |
| <b>Total</b>             |                      |                                  | <b>\$17,962.50</b> |             |

[1] Parcels based on FY 11-12 County Assessor's roll.

[2] Property in Zone 1 is levied based on a percentage of the total levy allocated to Zone 1. Property in Zone 2 is levied at \$2.50/per parcel.

**RESOLUTION NO. 2011-7-5**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BORREGO WATER DISTRICT, SAN DIEGO COUNTY,  
CALIFORNIA, LEVYING STANDBY CHARGES AND/OR  
ACREAGE ASSESSMENTS TO DEFRAY THE COST OF  
OPERATING AND MAINTAINING THE WATER  
FACILITIES WITHIN IMPROVEMENT DISTRICT NO. 3  
OF THE DISTRICT AND REQUESTING THE LEVY AND  
COLLECTION OF SAID STANDBY CHARGES AND/OR  
ACREAGE ASSESSMENTS FOR THE FISCAL YEAR  
2011-2012**

**WHEREAS**, Improvement District No. 3 of the Borrego Water District was formed for the purpose of providing water service to the lands and inhabitants of the Improvement District; and

**WHEREAS**, by reason of the acquisition of the water system, water service is now and will be available to lands therein and said water system is a benefit to the lands lying within said Improvement District; and

**WHEREAS**, *Section 35470* of the Water Code of the State of California, provides that a California Water District may in lieu, in whole, or in part, of raising funds for District purposes by ad valorem assessments, levy standby charges and/or acreage assessments to defray the cost of operations and maintenance and for any lawful district purpose; and

**WHEREAS**, matters have been presented to and considered by the Board of Directors relating to the financial requirements of said Improvement District; and

**WHEREAS**, the Board of Directors has determined that it is deemed advisable and necessary to fix and levy standby charges and/or acreage assessments within Improvement District No. 3 of the District to defray the cost of operations and maintenance of the water facilities within Improvement District No. 3 for the Fiscal Year 2011-2012.

**NOW, THEREFORE**, the Board of Directors of Borrego Water District **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

**SECTION 1.** There is hereby fixed standby charges and/or acreage assessments in the amounts on land within Improvement District No. 3 as more fully described in Exhibit A attached hereto and made a part hereof to defray the cost of operations and maintenance for Improvement District No. 3 for the Fiscal Year 2011-2012. This Board of Directors hereby determines that said standby charges and/or acreage assessments in an amount not exceeding the assessments set forth in Exhibit A was existing prior to July 1, 1997 and that said assessments are exempt from the provisions of Article XIID of the Constitution of the State of California.

SECTION 2. Pursuant to *Section 35479* of the Water Code, the Board of Supervisors of the County of San Diego is hereby requested at the time and manner of levying other County taxes to make levies in the amounts on land within Improvement District No. 3, shown on Exhibit A, and cause to be collected the amounts specified therein.

SECTION 3. The Secretary of the District is hereby directed to submit to the Board of Supervisors and the Auditor/Controller of the County of San Diego a certified copy of this Resolution along with other documents as may be required.

**ADOPTED, SIGNED AND APPROVED** this 27<sup>th</sup> day of July, 2011.

---

President of the Board of Directors of  
Borrego Water District

**ATTEST:**

---

Secretary of the Board of Directors of  
Borrego Water District



**ID No. 3 - Water Standby (Fund 6415-04)  
Fiscal Year 2011-12 Assessment Requirement**

|   |                    |                    |
|---|--------------------|--------------------|
| <b>FISCAL YEAR OBLIGATIONS:</b>           | <b>2010-11</b>     | <b>2011-12</b>     |
| Water Standby                             | \$33,759.70        | \$33,759.70        |
| <b>FISCAL YEAR ASSESSMENT REQUIREMENT</b> | <b>\$33,759.70</b> | <b>\$33,759.70</b> |

| FY 2010-11   |                          |                            |                               |                    |
|--------------|--------------------------|----------------------------|-------------------------------|--------------------|
|              | APN / # of Parcels Taxed | Description                | Tax Rates                     | Total Levy         |
| (1)          | 200-090-53               | LCDZ Investors, LLC        | \$700 X 10 EDU'S              | \$7,000.00         |
|              | <u>200-090-61</u>        | <u>LCDZ Investors, LLC</u> | <u>1/2 of Standby Charges</u> | <u>\$13,150.00</u> |
|              | <i>Subtotal</i>          |                            |                               | <i>\$20,150.00</i> |
| (2)          | 361                      | Residential                | \$37.70                       | \$13,609.70        |
| <b>Total</b> |                          |                            |                               | <b>\$33,759.70</b> |

| FY 2011-12   |                          |                            |                               |                    |
|--------------|--------------------------|----------------------------|-------------------------------|--------------------|
|              | APN / # of Parcels Taxed | Description                | Tax Rates                     | Total Levy         |
| (1)          | 200-090-53               | LCDZ Investors, LLC        | \$700 X 10 EDU'S              | \$7,000.00         |
|              | <u>200-090-61</u>        | <u>LCDZ Investors, LLC</u> | <u>1/2 of Standby Charges</u> | <u>\$13,150.00</u> |
|              | <i>Subtotal</i>          |                            |                               | <i>\$20,150.00</i> |
| (2)          | 361                      | Residential                | \$37.70                       | \$13,609.70        |
| <b>Total</b> |                          |                            |                               | <b>\$33,759.70</b> |

[1] Parcels based on FY 11-12 County Assessor's roll.

K:\CLIENTS2\BORREGO.SPRADMIN\11-12\all other levies\TAX REQUIREMENT 02.123

**RESOLUTION NO. 2011-7-6**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BORREGO WATER DISTRICT ACTING AS THE  
LEGISLATIVE BODY OF COMMUNITY FACILITIES  
DISTRICT NO. 2007-1 OF THE BORREGO WATER  
DISTRICT AUTHORIZING THE LEVY OF SPECIAL TAXES  
WITHIN COMMUNITY FACILITIES DISTRICT NO. 2007-1  
FOR THE FISCAL YEAR 2011-2012**

**WHEREAS**, the Borrego Water District (the "District") previously established Community Facilities District No. 2007-1 of the Borrego Water District ("CFD No. 2007-1") pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended; and

**WHEREAS**, the Board of Directors of the District acting as the legislative body of CFD No. 2007-1 is authorized pursuant to Resolutions Nos. 2007-3-1 and 2007-3-2 adopted March 14, 2007 (the "Resolutions of Formation") and Ordinance No. O2007-2 adopted by the Board of Directors of the District on May 9, 2007 (the "Ordinance"), to levy a special tax sufficient to pay principal, interest, other periodic costs and administrative expenses with respect to bonds of CFD 2007-1 and any bonds and/or certificates of participation proposed to be issued to finance the Facilities (the "Bonds") and to pay certain costs of the Facilities (as defined in the Resolutions of Formation); and

**WHEREAS**, it is now necessary and appropriate that this Board levy and collect the special taxes for the Fiscal Year 2011-2012 for the purpose specified in the Ordinance, by the adoption of a resolution as specified by the Act and the Ordinance; and

**WHEREAS**, the special taxes being levied hereunder are at the same rate or at a lower rate than provided by the Ordinance;

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2007-1, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

SECTION 1. The above recitals are true and correct.

SECTION 2. The special tax ("Special Tax") is imposed without regard to property valuation and is levied in compliance with the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Government Code Section 53311 (the "Act") and the Ordinance.

SECTION 3. In accordance with the Act and the Ordinance, there is hereby levied upon the parcels within the District which are not otherwise exempt from taxation under the Act or the Ordinance the special taxes for the Fiscal Year 2011-2012 at the tax rates set forth in the report

prepared by David Taussig and Associates for CFD No. 2007-1 entitled "Administration Report Fiscal Year 2011-2012" (the "Report") submitted herewith, which rates do not exceed the maximum rates set forth in the Ordinance. After adoption of this Resolution, the General Manager of the District, or his designee, may make any necessary modifications to these special taxes to correct any errors, omissions or inconsistencies in the listing or categorization of parcels to be taxed or in the amount to be charged to any category of parcels; provided, however, that any such modifications shall not result in an increase in the tax applicable to any category of parcels and can only be made prior to the submission of the tax rolls to the San Diego County Auditor.

SECTION 4. All of the collections of the special tax shall be used only as provided for in the Act and the Resolutions of Formation. The special tax shall be levied only so long as needed to accomplish the purposes described in the Resolutions of Formation.

SECTION 5. The special tax shall be collected in the same manner as ordinary ad valorem taxes are collected and shall be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes as such procedure may be modified by law or this Board from time to time.

SECTION 6. As a cumulative remedy, if any amount levied as a special tax for payment of bond interest or principal, together with any penalties and other charges accruing under this Resolution, are not paid when due, the Board of Directors may, not later than four years after the due date of the last installment of principal on the Bonds, order that the same be collected by an action brought in the superior court to foreclose the lien of such special tax.

SECTION 7. The General Manager is hereby authorized and directed to transmit a certified copy of this Resolution and the Report to the San Diego County Auditor, together with other supporting documentation as may be required to place said special taxes on the secured property tax roll for the Fiscal Year 2011-2012, and to perform all other acts which are required by the Act, the Ordinance, or by law in order to accomplish the purpose of this Resolution.

**ADOPTED, SIGNED AND APPROVED** this 27<sup>th</sup> day of July, 2011.

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President of the Board of Directors of  
Borrego Water District

ATTEST:

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Secretary of the Board of Directors of  
Borrego Water District



*DAVID*  
**TAUSSIG**  
& *Associates, Inc.*

**BORREGO WATER DISTRICT  
COMMUNITY FACILITIES DISTRICT  
No. 2007-1**

**July 20, 2011**

*Public Finance  
Facilities Planning  
Urban Economics*

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*Newport Beach*  
Fresno  
Riverside  
San Francisco  
Chicago  
Dallas

**ADMINISTRATION REPORT  
FISCAL YEAR 2011-2012**

**BORREGO WATER DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2007-1**

**Prepared for**

**BORREGO WATER DISTRICT  
PO Box 1870  
806 Palm Canyon Drive  
Borrego Springs, California 92004**

**Prepared by**

**DAVID TAUSSIG & ASSOCIATES, INC.  
5000 Birch Street, Suite 6000  
Newport Beach, California 92660  
(949) 955-1500**

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### **EXHIBITS**

- Exhibit A:** Boundary Map
- Exhibit B:** Foreclosure Status
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## ***Introduction***

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This report provides an analysis of the financial and administrative obligations of Community Facilities District No. 2007-1 ("CFD No. 2007-1") of the Borrego Water District (the "Water District") resulting from the sale of the \$9,530,000 Series 2007 Special Tax Bonds (the "Bonds") issued in June 2007.

CFD No. 2007-1 is a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982, (the "Act") as amended. The Act provides an alternative method for the financing of certain public capital facilities and services. Specifically, CFD No. 2007-1 is authorized to issue up to \$11,000,000 in bonds and has sold \$9,530,000 in bonds for purposes of refunding prior bonds issued by CFD No. 95-1 of the Water District.

The bonded indebtedness of CFD No. 2007-1 is both secured and repaid through the annual levy and collection of special taxes from all property subject to the tax within the community facilities district. In calculating the special tax liability for fiscal year 2011-2012, this report examines the financial obligations of the current fiscal year and analyzes the level of development within CFD No. 2007-1.

A map showing the property in CFD No. 2007-1 is included in Exhibit A.

This report is organized into the following sections:

### **Section I**

Section I provides an update of the development status of property within CFD No. 2007-1.

### **Section II**

Section II analyzes the previous fiscal year's special tax levy and includes a discussion of delinquent special taxes.

### **Section III**

Section III determines the financial obligations of CFD No. 2007-1 for fiscal year 2011-2012.

### **Section IV**

Section IV reviews the methodology used to apportion the special tax requirement between Developed Property and Undeveloped Property. A table of the 2011-2012 special taxes for each classification of property is included.

---

## ***I. Special Tax Classifications and Development Update***

---

### **Special Tax Classifications**

The methodology employed to calculate and apportion the special tax is contained in a document entitled the Amended and Restated Rate and Method of Apportionment of the Special Tax. The Amended and Restated Rate and Method of Apportionment defines two primary categories of taxable property, namely "Developed Property" and "Undeveloped Property." The category of Developed Property is in turn divided into five separate special tax classifications based on the size of the lot or the use of the property. A table of the Developed Property special tax classifications is shown below.

**Community Facilities District No. 2007-1  
Developed Property Classifications**

| <b>Land Use Class</b> | <b>Description</b>                                    |
|-----------------------|---|
| 1                     | Residential Property (lot size $\geq$ 12,000 sq. ft.) |
| 2                     | Residential Property (lot size < 12,000 sq. ft.)      |
| 3                     | Commercial Property                                   |
| 4                     | Golf Course Property                                  |
| 5                     | Hotel/Motel Property                                  |

Developed Property is distinguished from Undeveloped Property by (i) the recordation of a final map for residential property, (ii) the issuance of a building permit for commercial property or hotel/motel property, and (iii) the determination of Golf Course Property. Specifically, property for which a final map was recorded or a building permit was issued as of January 1 will be classified as Developed Property in the following fiscal year. For example, all property in CFD No. 2007-1 for which the above events had occurred as of January 1, 2011, will be classified as Developed Property in fiscal year 2011-2012.

### **Development Update**

CFD No. 2007-1 encompasses approximately 3,140 gross acres of land in the Borrego Water District known as "Montesoro." At buildout, the property within CFD No. 2007-1 is anticipated to consist of at least 802 single-family residential units and a 349 acre golf course.

As of January 1, 2011, a total of 343 residential lots were within final subdivision maps. As of January 1, 2011, 348.99 acres (which covers all 36 existing or planned holes) are considered Golf Course Property. As of January 1, 2011, there was no Commercial Property or Hotel/Motel Property within CFD No. 2007-1.

Approximately 681.046 acres remain to be developed. The table below indicates the cumulative Developed Property, by class, within CFD No. 2007-1.

**Community Facilities District No. 2007-1  
Cumulative Developed Property**

| Class | Land Use  | Number of<br>lots/SF/<br>Rooms/Acres |
|-------|---|--------------------------------------|
| 1     | Residential Property (lot size $\geq$ 12,000 sq. ft.) | 168 lots                             |
| 2     | Residential Property (lot size < 12,000 sq. ft.)      | 175 lots                             |
| 3     | Commercial Property                                   | 0 square feet                        |
| 4     | Golf Course Property                                  | 348.99 acres                         |
| 5     | Hotel/Motel Property                                  | 0 rooms                              |

---

## ***II. Fiscal Year 2010-2011 Special Tax Levy***

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The aggregate special tax levy for fiscal year 2010-2011 equaled \$1,516,299. As of July 14, 2011, \$225,127 in special taxes had been collected by the County and/or paid directly to the District. A total of \$1,291,172 in special taxes are delinquent, resulting in a fiscal year 2010-2011 delinquency rate of approximately 85.15 percent.

In addition, the aggregate special tax levy for fiscal year 2009-2010 equaled \$683,809. As of July 14, 2011, \$202,375 in special taxes had been collected by the County and/or paid directly to the District. A total of \$481,434 in special taxes are delinquent, resulting in a fiscal year 2009-2010 delinquency rate of approximately 70.40 percent.

As a result of the high delinquency rate, the District was not able to make the interest payment due in February 2011 in the amount of \$267,950. In addition, at the request of the Bond holder, the remaining \$59,415 in the Reserve Fund was transferred in February 2011 to the administrative expense fund. The current balance in the Reserve Fund is \$0. Based on the receipt of delinquent special taxes in June 2011, the District was able to make the full unpaid interest payment of \$267,950 on June 28, 2011. Based on the current level of delinquencies, the District will not be able to make the full debt service payment due on August 1, 2011.

In 2010, the District commenced foreclosure proceedings against certain property owners that were delinquent in paying fiscal year 2009-2010 and prior year taxes.

Please see Exhibit B for a brief summary of the current status of each of the foreclosure cases provided by the Water District's foreclosure counsel.

Please see Exhibit C for a map highlighting the parcels that are delinquent in the payment of their special taxes as of July 15, 2011.

### **III. Fiscal Year 2011-2012 Special Tax Requirement**

For fiscal year 2011-2012, the special tax requirement is equal to \$2,028,720 and is calculated as follows:

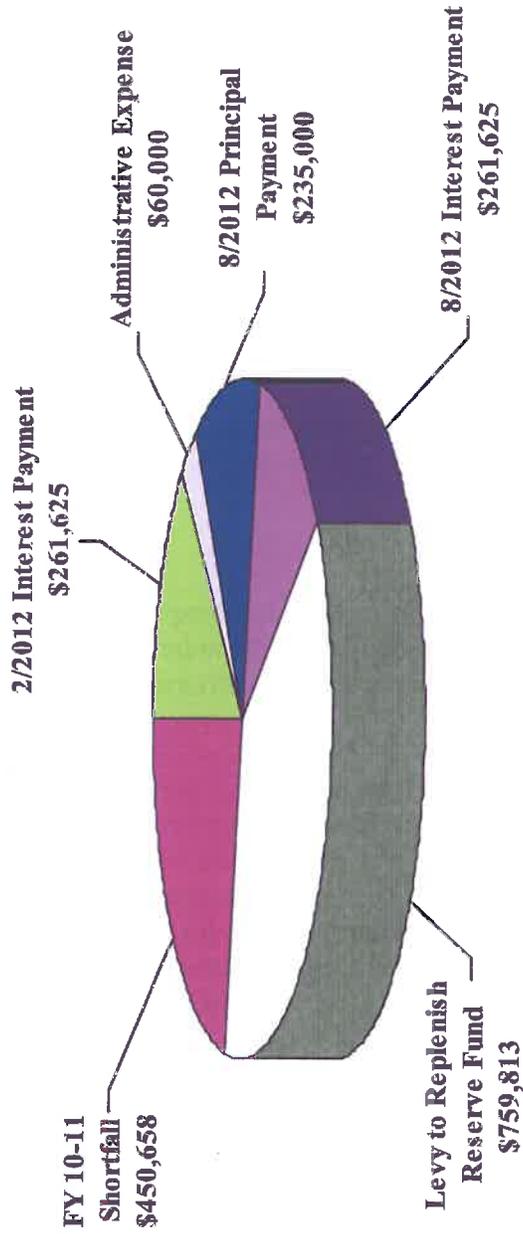
#### **Community Facilities District No. 2007-1 Fiscal Year 2011-2012 Special Tax Requirement**

|   |             |                      |
|---|-------------|----------------------|
| <b><u>Fund Balances as of June 30, 2011</u></b>   |             | <b>\$125,314</b>     |
| Special Tax Fund  | \$125,314   |                      |
| Interest Account  | \$0         |                      |
| Principal Account   | \$0         |                      |
| Surplus Monies in the Reserve Fund  | \$0         |                      |
| <b><u>Uses of Funds Received</u></b>  |             | <b>(\$88,022)</b>    |
| <b><u>Administrative Expenses and Other Costs</u></b>   |             |                      |
| Remaining Fiscal Year 2009-2010 Admin Expenses  | (\$6,287)   |                      |
| Remaining Fiscal Year 2010-2011 Admin Expenses  | (\$10,292)  |                      |
| Foreclosure Related Costs [1]   | (\$65,152)  |                      |
| <b><u>Unpaid Debt Service</u></b>   |             |                      |
| Interest Due February 1, 2011 [2]   | (\$0)       |                      |
| Interest Due on Unpaid Interest 2/1/11 Interest [3]   | (\$6,291)   |                      |
| <b>Surplus / (Shortfall) as of July 1, 2011</b>   |             | <b>\$37,292</b>      |
| <b><u>Remaining Fiscal Year 2010-2011 Obligations</u></b>   |             | <b>(\$487,950)</b>   |
| Interest Due August 1, 2011   | (\$267,950) |                      |
| Principal Due August 1, 2011  | (\$220,000) |                      |
| <b>Cumulative Surplus / (Shortfall)</b>   |             | <b>(\$450,658)</b>   |
| <b><u>Fiscal Year 2011-2012 Obligations</u></b>   |             | <b>(\$1,578,063)</b> |
| Interest Due February 1, 2011   | (\$261,625) |                      |
| Interest Due August 1, 2011   | (\$261,625) |                      |
| Principal Due August 1, 2011  | (\$235,000) |                      |
| Administration Expenses   | (\$60,000)  |                      |
| Levy to Replenish Reserve Fund [4]  | (\$759,813) |                      |
| <b>Fiscal Year 2010-2011 Special Tax Requirement</b>  |             | <b>(\$2,028,720)</b> |
| <p>[1] Foreclosure costs related to 130 parcels previously under foreclosure for which delinquent special taxes were paid on May 28, 2011.</p> <p>[2] The full amount of \$267,950 which was originally due February 1, 2011 was paid on June 28, 2011.</p> <p>[3] Per US Bank, amount is based on the annual coupon rate of 5.750% on the Series 2007 Bonds applied to the unpaid interest from 2/1/11 through 6/27/11.</p> <p>[4] Balance in Reserve Fund is \$0 as a result of draws on the Reserve Fund in the amounts of \$216,411 on February 1, 2010, \$483,987 on August 1, 2010, and \$59,415 on February 1, 2011.</p> |             |                      |

The components of the fiscal year 2011-2012 gross special tax requirement are shown graphically on the following page.

# Community Facilities District No. 2007-1 of the Borrego Water District

**Fiscal Year 2011-2012 Special Tax Levy**



**Special Tax Requirement = \$2,028,720**

maximum and actual special taxes are shown for each classification of Developed Property and Undeveloped Property in the following table.

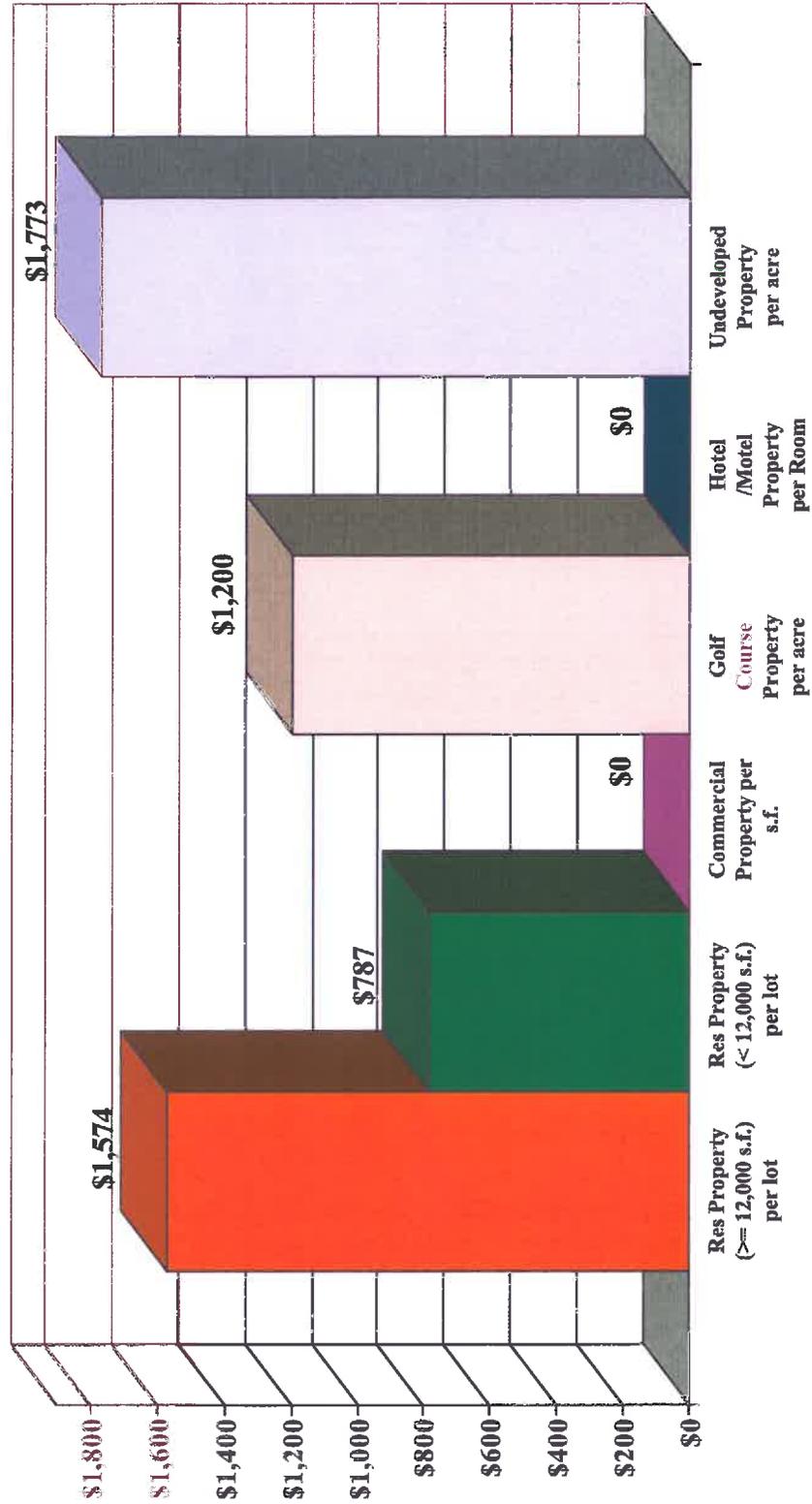
**Community Facilities District No. 2007-1  
Fiscal Year 2011-2012 Special Taxes  
for Developed Property and Undeveloped Property**

| <b>Land Use Class</b> | <b>Description</b>                                    | <b>FY 2011-2012 Maximum Special Tax</b> | <b>FY 2011-2012 Actual Special Tax</b> |
|-----------------------|---|---|--|
| 1                     | Residential Property (lot size $\geq$ 12,000 sq. ft.) | \$1,574.00/lot                          | \$1,574.00/lot                         |
| 2                     | Residential Property (lot size < 12,000 sq. ft.)      | \$787.00/lot                            | \$787.00/lot                           |
| 3                     | Commercial Property                                   | \$1.38/s.f. of floor area               | \$0.00/s.f. of floor area              |
| 4                     | Golf Course Property                                  | \$1,200.00/acre                         | \$1,200.00/acre                        |
| 5                     | Hotel/Motel Property                                  | \$300.00/room                           | \$0.00/room                            |
| NA                    | Undeveloped Property                                  | \$28,058.00/acre                        | \$1,773.41/acre                        |

A list of the actual special tax levied against each parcel in CFD No. 2007-1 is included in Exhibit D.

# Community Facilities District No. 2007-1 of the Borrego Water District

## Fiscal Year 2011-2012 Special Tax Levy



**EXHIBIT A**

***CFD No. 2007-1 of the  
Borrego Water District***

***Boundary Map***

**Borrego Water District  
Community Facilities District No. 2007-1  
(Montesoro)**

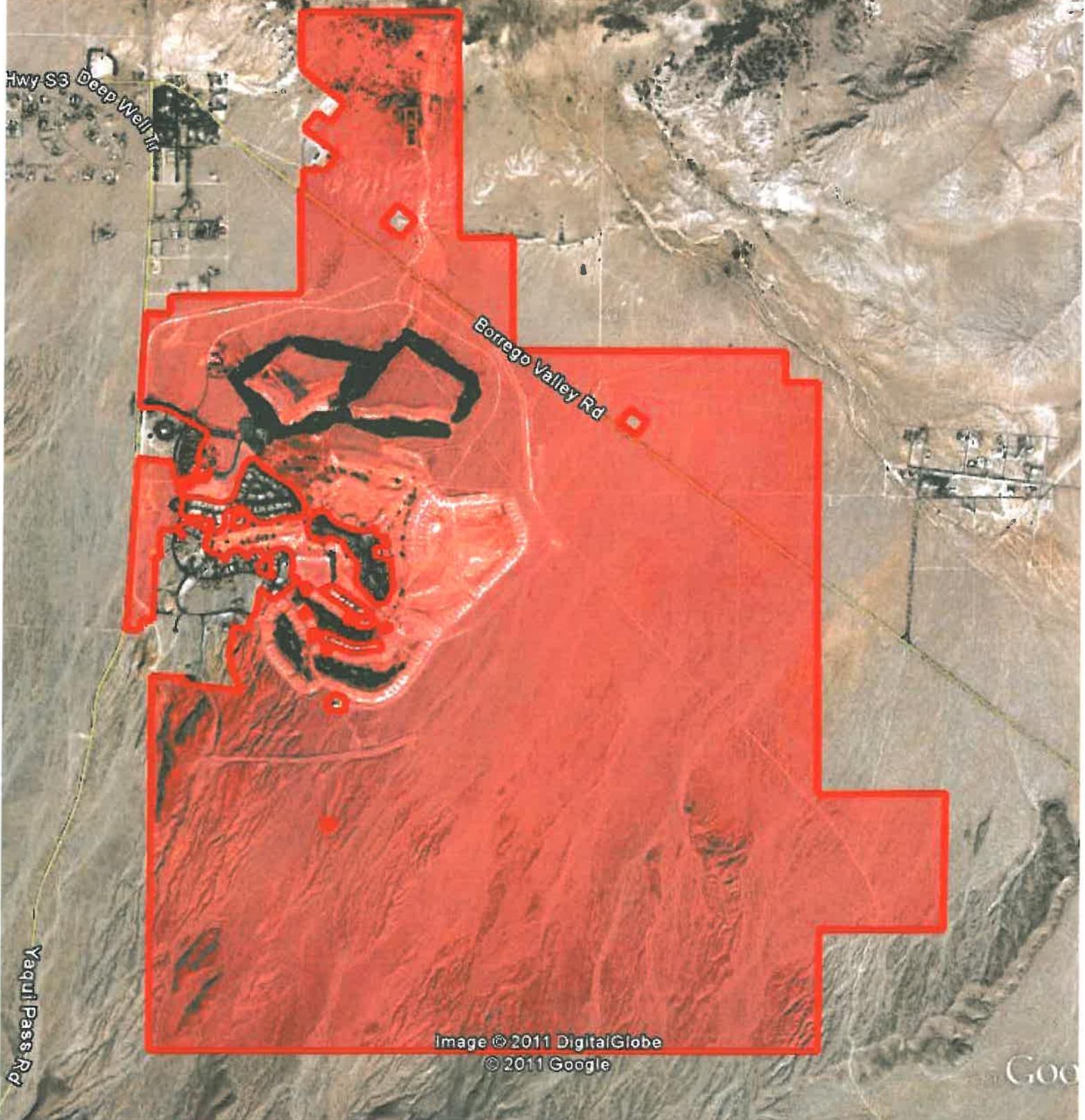


Image © 2011 DigitalGlobe  
© 2011 Google

**EXHIBIT B**

***CFD No. 2007-1 of the  
Borrego Water District***

***Foreclosure Status***

STRADLING YOCCA CARLSON & RAUTH

MEMORANDUM

**TO:** David Taussig & Associates, Inc. **FILE NO.** 022057-0000  
**FROM:** Allison E. Burns  
**DATE:** July 20, 2011  
**SUBJECT:** Summary of foreclosure litigation for Borrego Water District CFD 2007-1

---

Borrego Water District CFD 2007-1 v. First American Trust, et al.  
San Diego County Superior Court Case No. 37-2010-00053928-CU-OR-NC  
Assigned for All Purposes to the Honorable Thomas P. Nugent, Department N-30

This case is an action for judicial foreclosure on behalf of the Borrego Water District Community Facilities District No. 2007-1 ("CFD" or "Plaintiff") against the property owner of multiple parcels for non-payment of special taxes. Plaintiff filed this action on April 20, 2010. In September 2010, Plaintiff filed a motion for summary judgment heard by the Court in January, 2011. The Motion for Summary Judgment was granted, and Judgment of Judicial Foreclosure was entered by the court on February 10, 2011.

On May 17, 2011, a pay off request was received by this office. In response to Plaintiff's pay off demand, payment was received on May 31, 2011 for some of the delinquent parcels contained in the judgment.

In light of the partial payment, Stradling Yocca Carlson & Rauth ("SYCR") is waiting for information from the Title Officer at First American Title Insurance ("Title Officer") who issued the Litigation Guarantee in this matter to amend/update the Litigation Guarantee and provide a proper revised legal description reflecting the remaining delinquent parcels. Once we have that information the next step in this action is to obtain a partial satisfaction of judgment for the paid parcels, request a revised judgment to reflect the remaining delinquencies, and record a partial withdrawal of lis pendens as to the paid parcels.

Borrego Water District CFD 2007-1 v. Borrego 36, LLC, et al.  
San Diego County Superior Court Case No. 37-2010-00054710-CU-OR-NC  
Assigned for All Purposes to the Honorable Jacqueline M. Stern, Dept. N-27

This case is an action for judicial foreclosure on behalf of the Borrego Water District Community Facilities District No. 2007-1 ("CFD" or "Plaintiff") against the property owner of multiple parcels within the CFD for non-payment of special taxes. Plaintiff filed this action on May 10, 2010. A Motion for Summary Judgment was filed in September 2010, and heard by the Court in January 2011. The Court granted Plaintiff's motion for summary judgment and ordered a separate hearing for Plaintiff's motion for attorneys' fees, which motion is set for July 29, 2011.

On May 17, 2011 a pay off request was received by this office for the delinquent parcel in this action. In response to Plaintiff's pay off demand, a payment was received on May 31, 2011. In light of

payment in full, Plaintiff is in the process of dismissing this action, and recording a withdrawal of lis pendens.

Borrego Water District CFD 2007-1 v. Borrego Investors (GHILA), et al.  
San Diego County Superior Court Case No. 37-2010-00054709-CU-OR-NC  
Assigned for All Purposes to the Honorable Jacqueline M. Stern, Dept. N-27

This case is an action for judicial foreclosure on behalf of the Borrego Water District Community Facilities District No. 2007-1 ("CFD" or "Plaintiff") against the property owner of multiple parcels within the CFD for non-payment of special taxes. Plaintiff filed this action on May 10, 2010. A Motion for Summary Judgment was filed in September 2010 and heard by the Court in January 2011. The Court granted Plaintiff's motion for summary judgment and ordered a separate hearing for Plaintiff's motion for attorneys' fees, which motion is set for July 29, 2011.

On May 17, 2011 a pay off request was received by this office. Payment was received on May 31, 2011 for a portion of the delinquent parcels involved in this action. In light of the partial payment, SYCR is waiting for information from the Title Officer who issued the Litigation Guarantee in this matter to amend/update the Litigation Guarantee and provide a proper revised legal description reflecting only the remaining delinquent parcels. Once we have that information the next step in this action is to obtain a partial satisfaction of judgment for the paid parcels, request a revised judgment to reflect the remaining delinquencies and record a partial withdrawal of lis pendens as to the paid parcels.

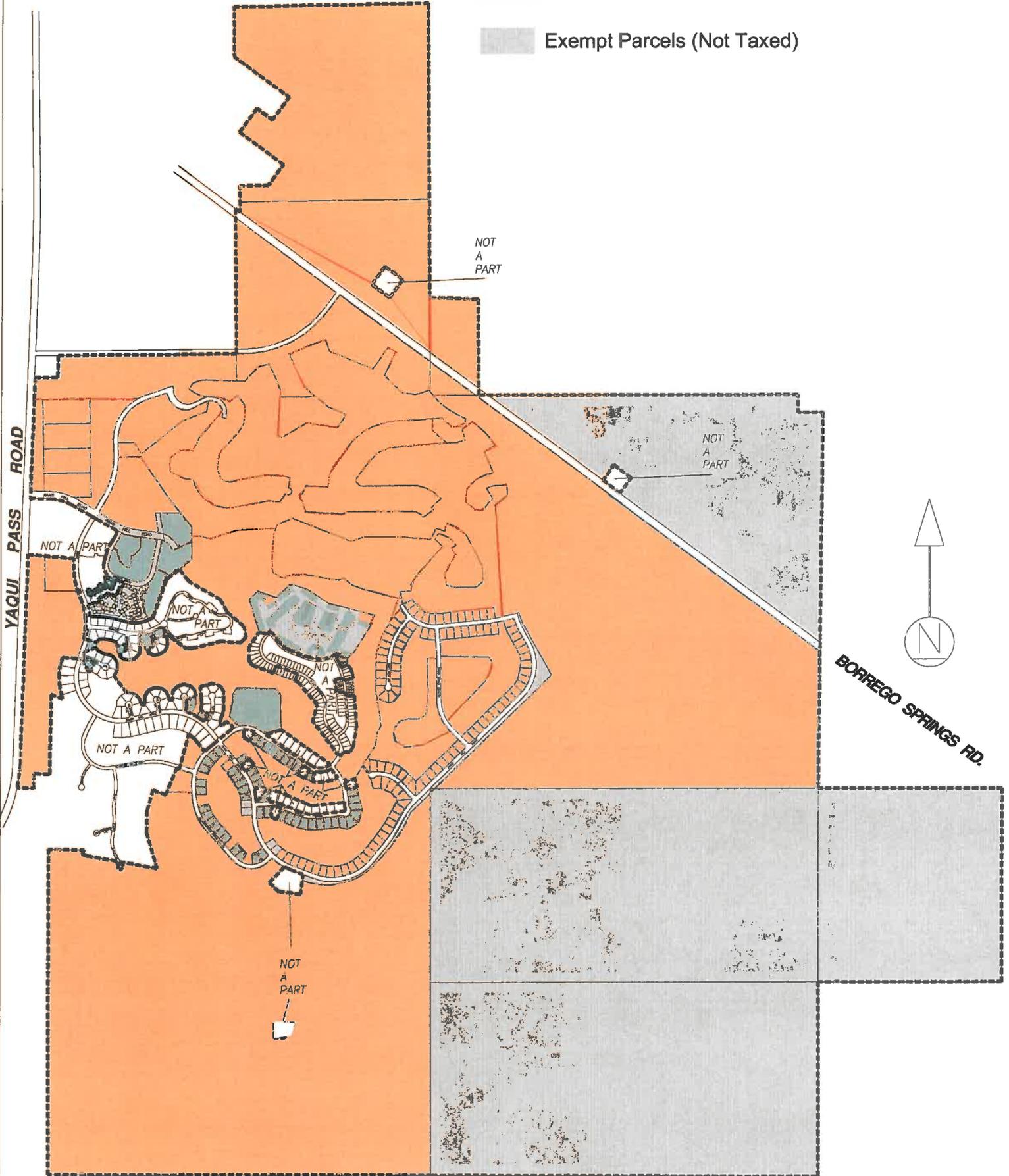
**EXHIBIT C**

***CFD No. 2007-1 of the  
Borrego Water District***

***Delinquent Property***

Borrego Water District CFD No. 2007-1  
Parcels Delinquent in Payment of Special Taxes  
As of July 14, 2011

-  Parcels Delinquent in Payment of Special Taxes
-  Parcels Current in Payment of Special Taxes
-  Exempt Parcels (Not Taxed)



**EXHIBIT D**

***CFD No. 2007-1 of the  
Borrego Water District***

***Special Tax Levy  
Fiscal Year 2011-2012***

## Exhibit D

**Borrego Water District CFD No. 2007-1  
FY 2011-12 Special Tax Levy**

| APN          | TAX CLASS | FY 2011-12<br>SPECIAL TAX |
|--------------|-----------|---------------------------|
| 200-120-3900 | U         | \$58,345.28               |
| 200-120-4100 | U         | \$254,325.16              |
| 200-120-4800 | U         | \$105,518.06              |
| 200-120-5100 | U         | \$28,986.44               |
| 200-120-5200 | U         | \$58,043.80               |
| 200-120-5300 | U         | \$46,640.76               |
| 200-140-1200 | U         | \$8,867.06                |
| 200-160-3000 | U         | \$77,746.42               |
| 200-210-2200 | U         | \$158,525.38              |
| 200-271-0300 | U         | \$8,707.46                |
| 200-271-0400 | U         | \$7,696.60                |
| 200-271-0600 | U         | \$7,891.68                |
| 200-271-0700 | U         | \$19,277.00               |
| 200-271-1500 | U         | \$8,707.46                |
| 200-271-1600 | U         | \$8,707.46                |
| 200-271-2100 | U         | \$4,309.38                |
| 200-271-2200 | U         | \$9,115.34                |
| 200-271-2300 | GC        | \$4,284.00                |
| 200-271-2400 | GC        | \$4,080.00                |
| 200-271-2900 | U         | \$5,160.62                |
| 200-271-3400 | U         | \$26,193.30               |
| 200-271-3700 | U         | \$19,862.22               |
| 200-272-0800 | U         | \$62,424.14               |
| 200-273-0200 | U         | \$72,302.04               |
| 200-273-0300 | U         | \$49,265.40               |
| 200-273-0400 | U         | \$12,023.74               |
| 200-273-0600 | U         | \$38,128.38               |
| 200-273-0700 | U         | \$604.72                  |
| 200-273-0800 | GC        | \$199,200.00              |
| 200-274-0200 | GC        | \$110,400.00              |
| 200-275-0800 | GC        | \$19,524.00               |
| 200-275-0900 | GC        | \$26,256.00               |
| 200-275-1000 | U         | \$16,191.26               |
| 200-275-1100 | U         | \$13,779.42               |
| 200-281-1000 | RES1      | \$1,574.00                |
| 200-281-1400 | RES2      | \$787.00                  |
| 200-281-1500 | RES1      | \$1,574.00                |
| 200-281-2000 | RES1      | \$1,574.00                |
| 200-281-2600 | RES1      | \$1,574.00                |
| 200-281-3400 | RES1      | \$1,574.00                |
| 200-283-0600 | RES1      | \$1,574.00                |
| 200-283-0700 | RES2      | \$787.00                  |
| 200-283-0800 | RES1      | \$1,574.00                |
| 200-311-1800 | RES2      | \$787.00                  |
| 200-311-3700 | RES2      | \$787.00                  |
| 200-311-3800 | RES2      | \$787.00                  |
| 200-311-4300 | RES2      | \$787.00                  |
| 200-311-4400 | RES2      | \$787.00                  |
| 200-311-4500 | RES2      | \$787.00                  |
| 200-311-4600 | RES2      | \$787.00                  |

## Exhibit D

**Borrego Water District CFD No. 2007-1  
FY 2011-12 Special Tax Levy**

| APN          | TAX CLASS | FY 2011-12<br>SPECIAL TAX |
|--------------|-----------|---------------------------|
| 200-312-3200 | RES2      | \$787.00                  |
| 200-312-3300 | RES2      | \$787.00                  |
| 200-312-3400 | RES2      | \$787.00                  |
| 200-312-3500 | RES2      | \$787.00                  |
| 200-312-3600 | RES2      | \$787.00                  |
| 200-330-2300 | RES2      | \$787.00                  |
| 200-330-2400 | RES2      | \$787.00                  |
| 200-330-2700 | RES2      | \$787.00                  |
| 200-330-2800 | RES2      | \$787.00                  |
| 200-330-2900 | RES2      | \$787.00                  |
| 200-330-3300 | RES2      | \$787.00                  |
| 200-330-3400 | RES2      | \$787.00                  |
| 200-330-5100 | RES2      | \$787.00                  |
| 200-330-7600 | RES2      | \$787.00                  |
| 200-330-7700 | RES2      | \$787.00                  |
| 200-330-7800 | RES2      | \$787.00                  |
| 200-330-7900 | RES2      | \$787.00                  |
| 200-330-8000 | RES2      | \$787.00                  |
| 200-330-8100 | RES2      | \$787.00                  |
| 200-340-0100 | RES2      | \$787.00                  |
| 200-340-0400 | RES2      | \$787.00                  |
| 200-340-0500 | RES2      | \$787.00                  |
| 200-340-0600 | RES2      | \$787.00                  |
| 200-340-0700 | RES2      | \$787.00                  |
| 200-340-2300 | RES2      | \$787.00                  |
| 200-340-5300 | RES2      | \$787.00                  |
| 200-340-5400 | RES2      | \$787.00                  |
| 200-340-5500 | RES2      | \$787.00                  |
| 200-340-5600 | RES2      | \$787.00                  |
| 200-340-5700 | RES2      | \$787.00                  |
| 200-340-5800 | RES2      | \$787.00                  |
| 200-340-5900 | RES2      | \$787.00                  |
| 200-340-6000 | RES2      | \$787.00                  |
| 200-340-6100 | RES2      | \$787.00                  |
| 200-340-6200 | RES2      | \$787.00                  |
| 200-340-6300 | RES2      | \$787.00                  |
| 200-340-6400 | RES2      | \$787.00                  |
| 200-340-6500 | RES2      | \$787.00                  |
| 200-340-6600 | RES2      | \$787.00                  |
| 200-340-6700 | RES2      | \$787.00                  |
| 200-340-6800 | RES2      | \$787.00                  |
| 200-340-6900 | RES2      | \$787.00                  |
| 200-340-7000 | RES2      | \$787.00                  |
| 200-340-7100 | RES2      | \$787.00                  |
| 200-340-7200 | RES2      | \$787.00                  |
| 200-340-7300 | RES2      | \$787.00                  |
| 200-340-7400 | RES2      | \$787.00                  |
| 200-340-7500 | RES2      | \$787.00                  |
| 200-340-7600 | RES2      | \$787.00                  |
| 200-340-7700 | RES2      | \$787.00                  |

## Exhibit D

**Borrego Water District CFD No. 2007-1  
FY 2011-12 Special Tax Levy**

| APN          | TAX CLASS | FY 2011-12<br>SPECIAL TAX |
|--------------|-----------|---------------------------|
| 200-340-7800 | RES2      | \$787.00                  |
| 200-340-7900 | RES2      | \$787.00                  |
| 200-340-8000 | RES2      | \$787.00                  |
| 200-340-8100 | RES2      | \$787.00                  |
| 200-340-8200 | RES2      | \$787.00                  |
| 200-340-8300 | RES2      | \$787.00                  |
| 200-340-8400 | RES2      | \$787.00                  |
| 200-340-8500 | RES2      | \$787.00                  |
| 200-340-8600 | RES2      | \$787.00                  |
| 200-340-8700 | RES2      | \$787.00                  |
| 200-340-8800 | RES2      | \$787.00                  |
| 200-340-8900 | RES2      | \$787.00                  |
| 200-340-9000 | RES2      | \$787.00                  |
| 200-350-0100 | U         | \$14,808.00               |
| 200-350-1300 | RES1      | \$1,574.00                |
| 200-350-1500 | RES1      | \$1,574.00                |
| 200-350-1600 | RES1      | \$1,574.00                |
| 200-350-1700 | RES1      | \$1,574.00                |
| 200-350-1800 | RES1      | \$1,574.00                |
| 200-350-1900 | RES1      | \$1,574.00                |
| 200-350-2000 | RES1      | \$1,574.00                |
| 200-350-2100 | RES1      | \$1,574.00                |
| 200-350-2200 | RES1      | \$1,574.00                |
| 200-350-2400 | GC        | \$15,168.00               |
| 200-350-2500 | RES1      | \$1,574.00                |
| 200-350-2700 | RES1      | \$1,574.00                |
| 200-350-2800 | RES1      | \$1,574.00                |
| 200-350-2900 | RES1      | \$1,574.00                |
| 200-350-3100 | RES1      | \$1,574.00                |
| 200-350-4300 | RES1      | \$1,574.00                |
| 200-350-4400 | RES1      | \$1,574.00                |
| 200-350-4500 | RES1      | \$1,574.00                |
| 200-350-4600 | RES1      | \$1,574.00                |
| 200-350-4700 | RES1      | \$1,574.00                |
| 200-350-4800 | RES1      | \$1,574.00                |
| 200-350-4900 | RES1      | \$1,574.00                |
| 200-350-5000 | RES1      | \$1,574.00                |
| 200-350-5100 | RES1      | \$1,574.00                |
| 200-350-5200 | RES1      | \$1,574.00                |
| 200-350-5300 | RES1      | \$1,574.00                |
| 200-350-5400 | RES1      | \$1,574.00                |
| 200-350-5500 | RES1      | \$1,574.00                |
| 200-350-5600 | RES1      | \$1,574.00                |
| 200-350-5800 | RES1      | \$1,574.00                |
| 200-350-5900 | RES1      | \$1,574.00                |
| 200-350-6200 | RES1      | \$1,574.00                |
| 200-350-6300 | RES1      | \$1,574.00                |
| 200-350-6400 | RES1      | \$1,574.00                |
| 200-350-6500 | RES1      | \$1,574.00                |
| 200-350-6600 | RES1      | \$1,574.00                |

## Exhibit D

**Borrego Water District CFD No. 2007-1  
FY 2011-12 Special Tax Levy**

| APN          | TAX CLASS | FY 2011-12<br>SPECIAL TAX |
|--------------|-----------|---------------------------|
| 200-350-6700 | RES1      | \$1,574.00                |
| 200-360-0100 | RES1      | \$1,574.00                |
| 200-360-0200 | RES1      | \$1,574.00                |
| 200-360-0300 | RES1      | \$1,574.00                |
| 200-360-0400 | RES1      | \$1,574.00                |
| 200-360-0500 | RES1      | \$1,574.00                |
| 200-360-0600 | RES1      | \$1,574.00                |
| 200-360-0700 | RES1      | \$1,574.00                |
| 200-360-0800 | RES1      | \$1,574.00                |
| 200-360-0900 | RES1      | \$1,574.00                |
| 200-360-1000 | RES1      | \$1,574.00                |
| 200-360-1100 | RES1      | \$1,574.00                |
| 200-360-1200 | RES1      | \$1,574.00                |
| 200-360-1300 | RES1      | \$1,574.00                |
| 200-360-1400 | RES1      | \$1,574.00                |
| 200-360-1500 | RES1      | \$1,574.00                |
| 200-360-1600 | RES1      | \$1,574.00                |
| 200-360-1700 | GC        | \$14,580.00               |
| 200-360-1800 | U         | \$5,621.72                |
| 200-370-0300 | RES1      | \$1,574.00                |
| 200-370-0400 | RES1      | \$1,574.00                |
| 200-370-0500 | RES1      | \$1,574.00                |
| 200-370-0600 | RES1      | \$1,574.00                |
| 200-370-0700 | RES1      | \$1,574.00                |
| 200-370-0800 | RES1      | \$1,574.00                |
| 200-370-0900 | RES1      | \$1,574.00                |
| 200-370-1000 | RES1      | \$1,574.00                |
| 200-370-1100 | RES1      | \$1,574.00                |
| 200-370-1200 | RES1      | \$1,574.00                |
| 200-370-1300 | RES1      | \$1,574.00                |
| 200-370-1400 | RES1      | \$1,574.00                |
| 200-370-1500 | RES1      | \$1,574.00                |
| 200-370-1600 | RES1      | \$1,574.00                |
| 200-370-1700 | RES1      | \$1,574.00                |
| 200-370-1800 | RES1      | \$1,574.00                |
| 200-370-1900 | RES1      | \$1,574.00                |
| 200-370-2000 | RES1      | \$1,574.00                |
| 200-370-2100 | RES1      | \$1,574.00                |
| 200-370-2200 | RES1      | \$1,574.00                |
| 200-370-2300 | RES1      | \$1,574.00                |
| 200-370-2400 | RES1      | \$1,574.00                |
| 200-370-2500 | RES1      | \$1,574.00                |
| 200-370-2600 | RES1      | \$1,574.00                |
| 200-370-2700 | RES1      | \$1,574.00                |
| 200-370-2800 | RES1      | \$1,574.00                |
| 200-370-2900 | RES1      | \$1,574.00                |
| 200-370-3000 | RES1      | \$1,574.00                |
| 200-370-3100 | RES1      | \$1,574.00                |
| 200-370-3200 | RES1      | \$1,574.00                |
| 200-370-3300 | RES1      | \$1,574.00                |

## Exhibit D

**Borrego Water District CFD No. 2007-1  
FY 2011-12 Special Tax Levy**

| APN          | TAX CLASS | FY 2011-12<br>SPECIAL TAX |
|--------------|-----------|---------------------------|
| 200-370-3400 | RES1      | \$1,574.00                |
| 200-370-3500 | RES1      | \$1,574.00                |
| 200-370-3600 | RES1      | \$1,574.00                |
| 200-370-3800 | GC        | \$25,296.00               |
| 200-380-0100 | RES1      | \$1,574.00                |
| 200-380-0200 | RES1      | \$1,574.00                |
| 200-380-0300 | RES1      | \$1,574.00                |
| 200-380-0400 | RES1      | \$1,574.00                |
| 200-380-0500 | RES1      | \$1,574.00                |
| 200-380-0600 | RES1      | \$1,574.00                |
| 200-380-0700 | RES1      | \$1,574.00                |
| 200-380-0800 | RES1      | \$1,574.00                |
| 200-380-0900 | RES1      | \$1,574.00                |
| 200-380-1000 | RES1      | \$1,574.00                |
| 200-380-1100 | RES1      | \$1,574.00                |
| 200-380-1200 | RES1      | \$1,574.00                |
| 200-380-1300 | RES1      | \$1,574.00                |
| 200-380-1400 | RES1      | \$1,574.00                |
| 200-380-1500 | RES1      | \$1,574.00                |
| 200-380-1600 | RES1      | \$1,574.00                |
| 200-380-1700 | RES1      | \$1,574.00                |
| 200-380-1800 | RES1      | \$1,574.00                |
| 200-380-1900 | RES1      | \$1,574.00                |
| 200-380-2000 | RES1      | \$1,574.00                |
| 200-380-2100 | RES1      | \$1,574.00                |
| 200-380-2200 | RES1      | \$1,574.00                |
| 200-380-2300 | RES1      | \$1,574.00                |
| 200-380-2400 | RES1      | \$1,574.00                |
| 200-380-2500 | RES1      | \$1,574.00                |
| 200-380-2600 | RES1      | \$1,574.00                |
| 200-380-2700 | RES1      | \$1,574.00                |
| 200-380-2800 | RES1      | \$1,574.00                |
| 200-390-0100 | RES1      | \$1,574.00                |
| 200-390-0200 | RES1      | \$1,574.00                |
| 200-390-0300 | RES1      | \$1,574.00                |
| 200-390-0400 | RES1      | \$1,574.00                |
| 200-390-0500 | RES1      | \$1,574.00                |
| 200-390-0600 | RES1      | \$1,574.00                |
| 200-390-0700 | RES1      | \$1,574.00                |
| 200-390-0800 | RES1      | \$1,574.00                |
| 200-390-0900 | RES1      | \$1,574.00                |
| 200-390-1000 | RES1      | \$1,574.00                |
| 200-390-1100 | RES1      | \$1,574.00                |
| 200-390-1200 | RES1      | \$1,574.00                |
| 200-390-1300 | RES1      | \$1,574.00                |
| 200-390-1400 | RES1      | \$1,574.00                |
| 200-390-1500 | RES1      | \$1,574.00                |
| 200-390-1600 | RES1      | \$1,574.00                |
| 200-390-1700 | RES1      | \$1,574.00                |
| 200-390-1800 | RES1      | \$1,574.00                |

## Exhibit D

**Borrego Water District CFD No. 2007-1  
FY 2011-12 Special Tax Levy**

| APN          | TAX CLASS | FY 2011-12<br>SPECIAL TAX |
|--------------|-----------|---------------------------|
| 200-401-3000 | RES2      | \$787.00                  |
| 200-401-3100 | RES2      | \$787.00                  |
| 200-401-3200 | RES2      | \$787.00                  |
| 200-401-3300 | RES2      | \$787.00                  |
| 200-401-3400 | RES2      | \$787.00                  |
| 200-401-3600 | RES2      | \$787.00                  |
| 200-401-3700 | RES2      | \$787.00                  |
| 200-401-3800 | RES2      | \$787.00                  |
| 200-401-3900 | RES2      | \$787.00                  |
| 200-401-4000 | RES2      | \$787.00                  |
| 200-401-4100 | RES2      | \$787.00                  |
| 200-401-4200 | RES2      | \$787.00                  |
| 200-401-4400 | RES2      | \$787.00                  |
| 200-401-4500 | RES2      | \$787.00                  |
| 200-401-4600 | RES2      | \$787.00                  |
| 200-401-4700 | RES2      | \$787.00                  |
| 200-401-4800 | RES2      | \$787.00                  |
| 200-401-5000 | RES2      | \$787.00                  |
| 200-401-5100 | RES2      | \$787.00                  |
| 200-401-5400 | RES2      | \$787.00                  |
| 200-401-5500 | RES2      | \$787.00                  |
| 200-401-5600 | RES2      | \$787.00                  |
| 200-401-5700 | RES2      | \$787.00                  |
| 200-401-5800 | RES2      | \$787.00                  |
| 200-401-5900 | RES2      | \$787.00                  |
| 200-401-6000 | RES2      | \$787.00                  |
| 200-401-6100 | RES2      | \$787.00                  |
| 200-401-6200 | RES2      | \$787.00                  |
| 200-401-6300 | RES2      | \$787.00                  |
| 200-401-6400 | RES2      | \$787.00                  |
| 200-401-6800 | RES2      | \$1,574.00                |

**Total Number of Parcels Taxed 381**

**Total FY 2011-12 Special Tax \$2,028,720.70**

## A U D I T   C O M M I T T E E   N O T E S

**Committee Members:** Directors Marshal Brecht & Lyle Brecht

### **DISCUSSION ITEMS FOR MEETING WITH DIEHL EVANS AUDITORS:**

- 🗣 Objective: FY'11 audited statements for transparency. Use of the OMWD Audit format is a good format to follow;
- 🗣 Disclosure of material items:
  - 🗣 overdraft (#1 cost driver for District) - risk factor that places entire \$62.5M asset base at risk
  - 🗣 Viking Ranch - \$2.5M, 25-year contingent liability
  - 🗣 Cameron Brothers lease - \$1M, 20-year contingent liability
  - 🗣 Well #12 purchase cost - not \$400K or \$1.1M, but ~\$1.5M+
  - 🗣 Montesoro revenue instability - cash flow from Montesoro has not been stable enough historically to pledge against debt. Must not build projections based on this revenue
  - 🗣 Pension liability - problem is that the present pension policy of District is not usual for special district its size
  - 🗣 lack of emergency line of credit given no emergency reserves - continuance of service risk factor
  - 🗣 reserves policy - reduces financial risk, signals prudent fiscal management
  - 🗣 water credits valuation - mark-to-market fluctuating valuation issues impact BS and P&L
  - 🗣 10-year CIP - shows prudent fiscal management of assets
  - 🗣 grant accounting issues - grants to reimburse expenses for past periods;
  - 🗣 the revenues of Improvement District No. 4, and BWD has an obligation to provide Citizens Business Bank of Ontario with a financial statement showing that the net income from water sales in ID No. 4 covers debt service by a minimum of 1.15x;
  - 🗣 AMR analysis (automatic meter reading) - shows managing labor costs.

D U E D I L I G E N C E C O M M I T T E E N O T E S

**Committee Members:** Directors Marshal Brecht & Lyle Brecht, Jerry Rolwing, GM

**Items:**

A) Restoring the District's reputation with the financial community:

- 1) FY 2011 Audit - a number of material items identified by the Due Diligence Committee that were either not disclosed or not fully disclosed in previous audits were forwarded to the Audit Committee to discuss with Diehl Evans;
- 2) Overdraft. A salient disclosure item that the District's investment banker, Dennis Ciocca from Stern Brothers, requested was: what are the District's plans to address the overdraft? The unmanaged overdraft is considered a financial risk for the District's continuance of operations as well as protection of its \$62.5M asset base.

B) Overdraft Strategic Planning:

- 1) Presently, the District is engaged in three planning processes that have developed strategic approaches to the overdraft: 2002 Groundwater Management Plan (GMP); 2009 Integrated Water Resource Management Plan (IWRMP); and 2010 draft Anza Borrego Desert Integrated Resource Water Management Plan (ABD-IRWMP);
- 2) Each of the above "plans" are incomplete relative to specific implementation steps, timelines for plan implementation deliverables, estimated budget needed for completion, and financing options to fund the tasks associated with each plan;
- 3) Each of the above plans are inconsistent with one another. For example, the 2002 GMP asserts that "*obtaining water from state projects and transporting it to the Borrego Valley [is] prohibitively expensive and much more expensive than following agricultural lands*" whereas the 2009 IWRMP begins with the premise that importation is the *only* real solution for the Borrego Valley Groundwater basin overdraft situation;
- 4) Each of the plans make assertions that are not adequately backed up with economic rationale or analysis. Additionally, it appears that the 2009 IWRMP and 2010 draft ABD-IRWMP assumes that importation can proceed successfully without first, or concurrently, establishing a managed basin;
- 5) As this lack of coordination is a strategic planning issue that will impact future District capital budgets, ability to raise debt capital and state implementation grants funding eligibility, this committee recommends that this issue receive priority consideration by the Strategic Planning Committee (SPC) until it is resolved.

C) Rate Structure Analysis: Any substantive change in the rate structure would necessitate a new Proposition 218 process. Rethinking rate structure is also an expensive analytical exercise that would cost \$20-\$30,000 to perform. For these reasons, we recommend that the Board hold off on any rate structure changes until the GMP is completed;

D) Developers Impact Fees & Charges: The Committee believes that ratepayers should not be subsidizing new development through higher rates. The imposition of such fees are not subject to Prop. 218. However, they require an analytical basis to be defensible if challenged.

STRATEGIC PLANNING COMMITTEE (SPC) NOTES

**DRAFT**

**SPC Ad-hoc Committee Meeting:** Wednesday, June 29, 2011, 9:00AM - 10:30AM

**Attendees:** Directors Beth Hart and Lyle Brecht, GM Jerry Rolwing, Ray Delahay, Elizabeth Rodriguez, Lane Sharman, Anne Meche, Jim Engelke, Dennis Dickinson and via phone Brian Brady and Dale Schafer

**DISCUSSION ITEMS:** Ascertain all Strategic Planning Elements are assigned to working sub-committees:

1) Objective: by January 31, 2013 return the District to fiscal stability and creditworthiness:

- reduce expenses and increase revenues beginning FY'12 to improve cash flow (??);
- transparency for FY 2011 audited financial statements (Audit Committee)
- publicize who the District's ongoing advisors are (SPC);
- District's program to keep its ratepayers and community informed (SPC);
- developer's policy. Waiting for County groundwater mitigation ordinance review (SPC);
- ABD-IRWM planning grant proposal assistance (SPC will develop and publish RFQ to gather information - due July 18th; expand ABD-IRWM Committee to include GWM?);
- emergency line-of-credit until reserves are restored (Due Diligence Committee [DDC]);
- future pension liability (Operations Committee);
- alter existing rate structure (need input from DDC);

2a) Objective: by September 30, 2011 provide planning input to the USGS study before draft is submitted for internal USGS review (SPC);

2b) Objective: by October 31, 2011 provide Reclamation study team any needed technical & political support (SPC);

3) Objective: by December 31, 2011 perform the necessary legal, policy, and economic work 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. Need County ordinance and MOU (DDC?);

4) Objective: by December 31, 2011 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 (GMP?);

5) Objective: by April 30, 2014 determine the various viable legal options for establishing a managed basin and determine the costs to ratepayers for each practicable option (GMP);

**Next SPC Meeting:** Wednesday, July 20, 2011 9:00-10:30AM

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# **BORREGO WATER DISTRICT**

**June 2011**

## **WATER OPERATIONS REPORT**

| <b>WELL</b> | <b>TYPE</b> | <b>FLOW RATE</b> | <b>STATUS</b> | <b>COMMENT</b>                        |
|-------------|-------------|------------------|---------------|---------------------------------------|
| 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:** 54,813 (gallons per day)

**Peak flow:** 65,290 gpd Saturday June 18th

**All restaurant grease traps were clean.**

**System Problems:** None.

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
COLORADO RIVER BASIN REGION

WDID NO.: 7A370125001  
ORDER NO.: R7-2007-0053

MONITORING AND REPORTING PROGRAM  
FOR BORREGO WATER DISTRICT - RAMS HILL WWTF

2nd  
2011

REPORTING FREQUENCY: QUARTERLY

| TYPE OF SAMPLE       | MAY THRU SEPTEMBER (OFF SEASON) |           |           |           |           |           |           |           |           |           |           |             |
|----------------------|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
|                      | INFLUENT                        |           |           | EFFLUENT  |           |           |           |           |           |           | PONDS     |             |
| CONSTITUENTS         | FLOW                            | BOD       | TSS       | TSS       | BOD       | SS        | TN        | TDS       | pH        | DO        | pH        | FREEBOARD   |
| FREQUENCY:           | Daily                           | Quarterly   |
| DESCRIPTION:         | flow measurement                | Grab      | Observation |
| UNITS:               | gpd <sup>1</sup>                | mg/L      | pH Units  | mg/L      | pH Units  | feet        |
| REQUIREMENTS:        |                                 |           |           |           |           |           |           |           |           |           | 6<pH<9    |             |
| 30-DAY MEAN MINIMUM: |                                 |           |           |           |           |           |           |           |           |           |           |             |
| DATE OF SAMPLE:      |                                 |           |           |           |           |           |           |           |           |           |           |             |
| 1                    | 54739                           |           |           |           |           |           |           |           |           |           |           |             |
| 2                    | 51373                           |           |           |           |           |           |           |           |           |           |           |             |
| 3                    | 53447                           |           |           |           |           |           |           |           |           |           |           |             |
| 4                    | 55670                           |           |           |           |           |           |           |           |           |           |           |             |
| 5                    | 58405                           |           |           |           |           |           |           |           |           |           |           |             |
| 6                    | 58539                           |           | 59mg/l    |           |           |           |           |           |           |           |           |             |
| 7                    | 62287                           |           |           |           |           | ND        |           |           | 7.4       | 8.2mg/l   | 7.4       | 2ft         |
| 8                    | 53621                           | 33mg/l    |           |           |           | ND        |           |           |           |           |           |             |
| 9                    | 50807                           |           |           |           |           |           |           |           |           |           |           |             |
| 10                   | 54470                           |           |           |           |           |           |           |           |           |           |           |             |
| 11                   | 54304                           |           |           |           |           |           | 39mg/l    |           |           |           |           |             |
| 12                   | 58031                           |           |           |           |           |           |           | 640mg/l   |           |           |           |             |
| 13                   | 55444                           |           |           |           |           |           |           |           |           |           |           |             |
| 14                   | 50329                           |           |           | ND        |           |           |           |           |           |           |           |             |
| 15                   | 49722                           |           |           |           |           |           |           |           |           |           |           |             |
| 16                   | 51200                           |           |           |           |           |           |           |           |           |           |           |             |
| 17                   | 59381                           |           |           |           |           |           |           |           |           |           |           |             |
| 18                   | 65290                           |           |           |           |           |           |           |           |           |           |           |             |
| 19                   | 60350                           |           |           |           |           |           |           |           |           |           |           |             |
| 20                   | 54733                           |           |           |           |           |           |           |           |           |           |           |             |
| 21                   | 50832                           |           |           |           |           |           |           |           | 7.4       | 7.7mg/l   | 7.4       | 2ft         |
| 22                   | 52195                           |           |           |           |           | ND        | ND        |           |           |           |           |             |
| 23                   | 51846                           |           |           |           |           |           |           |           |           |           |           |             |
| 24                   | 48905                           |           |           | 6mg/l     |           |           |           |           |           |           |           |             |
| 25                   | 50662                           |           |           |           |           |           |           |           |           |           |           |             |
| 26                   | 52933                           |           |           |           |           |           |           | 650mg/l   |           |           |           |             |
| 27                   | 52540                           |           |           |           |           |           |           |           |           |           |           |             |
| 28                   | 54440                           |           |           |           |           |           | 41mg/l    |           |           |           |           |             |
| 29                   | 53130                           |           |           |           |           |           |           |           |           |           |           |             |
| 30                   | 53120                           |           |           |           |           |           |           |           |           |           |           |             |
| 31                   |                                 |           |           |           |           |           |           |           |           |           |           |             |
| 30-DAY MEAN          | 54813                           |           |           |           |           |           |           |           |           |           |           |             |
| 7-DAY MEAN           |                                 |           |           |           |           |           |           |           |           |           |           |             |
| MAXIMUM              | 65290                           |           |           |           |           |           |           |           |           |           |           |             |
| MINIMUM              | 48905                           |           |           |           |           |           |           |           |           |           |           |             |

<sup>1</sup> gallons per day

I declare under the penalty of perjury that the data presented herein are true and correct to the best of my knowledge and belief, and that the information submitted in this document was prepared by me or under my direct supervision and control, and that I am a duly qualified person to prepare and submit such information. I am aware that there are significant penalties for knowingly providing false information, including the possibility of fines and imprisonment for knowing violations.

Signature: Cathy Rodriguez

**WATER PRODUCTION SUMMARY**  
**June 2011**

| <b>DATE</b>         | <b>ID-1</b>   | <b>ID-3</b>   | <b>ID-4</b>    | <b>ID-5</b>   | <b>DISTRICT-WIDE TOTALS</b> |
|---------------------|---------------|---------------|----------------|---------------|-----------------------------|
| 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                      |
| May '11             | 107.04        | 13.94         | 137.00         | 21.15         | 279.13                      |
| Jun '11             | 70.10         | 14.25         | 123.58         | 17.21         | 225.14                      |
| <b>12 Mo. TOTAL</b> | <b>993.78</b> | <b>155.46</b> | <b>1484.40</b> | <b>177.28</b> | <b>2810.92</b>              |

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

**WATER LOSS SUMMARY (%)**

| <b>DATE</b>           | <b>ID-1</b> | <b>ID-3</b> | <b>ID-4</b>  | <b>ID-5</b> | <b>DISTRICT-WIDE AVERAGE</b> |
|-----------------------|-------------|-------------|--------------|-------------|------------------------------|
| Jun '11               | 2.88        | 1.75        | 9.46         | N/A         | 4.70                         |
| <b>12 Mo. Average</b> | <b>2.08</b> | <b>1.27</b> | <b>11.04</b> | <b>N/A</b>  | <b>4.80</b>                  |

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

| ----- Water Production (Acre Feet) ----- |        |        |        |         |         |         |         |           |
|--|--------|--------|--------|---------|---------|---------|---------|-----------|
| Date                                     | Well 1 | Well 2 | Well 8 | Well 10 | Well 12 | Well 16 | Total   | LessID3&4 |
| =====                                    | =====  | =====  | =====  | =====   | =====   | =====   | =====   | =====     |
| 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    |
| MAY'11                                   | 0.00   | 0.00   | 0.18   | 20.87   | 52.92   | 47.01   | 120.98  | 107.04    |
| JUN'11                                   | 0.00   | 0.00   | 0.19   | 8.14    | 41.35   | 34.67   | 84.35   | 70.10     |
| TOTALS                                   | 12.01  | 14.67  | 38.88  | 187.38  | 447.62  | 448.68  | 1149.24 | 995.08    |
| =====                                    | =====  | =====  | =====  | =====   | =====   | =====   | =====   | =====     |

| ----- Water Use (Acre Feet) ----- |          |           |           |        |        |       |         |       |        |
|-----------------------------------|----------|-----------|-----------|--------|--------|-------|---------|-------|--------|
| Date                              | Domestic | Irrigat'n | Constrt'n | Golf   |        |       | Total   | Water |        |
|                                   |          |           |           | Course | ID 3   | ID 4  |         | Loss  | % Loss |
| =====                             | =====    | =====     | =====     | =====  | =====  | ===== | =====   | ===== | =====  |
| JUN'10                            | 11.76    | 12.88     | 0.00      | 43.63  | 15.00  | 0.00  | 83.27   | -5.01 | -6.40% |
| 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%  |
| MAY'11                            | 12.25    | 15.56     | 0.00      | 78.08  | 13.94  | 0.00  | 119.83  | 1.15  | 0.95%  |
| JUN'11                            | 11.78    | 14.75     | 0.00      | 41.15  | 14.25  | 0.00  | 81.93   | 2.42  | 2.88%  |
| TOTALS                            | 139.51   | 171.44    | 0.00      | 660.19 | 154.16 | 0.00  | 1125.30 | 23.94 | 2.08%  |
| =====                             | =====    | =====     | =====     | =====  | =====  | ===== | =====   | ===== | =====  |

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

| Date   | La Casa del Zorro<br>Total Acre Feet |          | Deep Well Trail / Others<br>Acre Feet |          |        | Total<br>Irrigat'n | Total<br>Domestic | Total<br>Acre Feet |
|--------|--------------------------------------|----------|---------------------------------------|----------|--------|--------------------|-------------------|--------------------|
|        | Irrigat'n                            | Domestic | Irrigat'n                             | Domestic | Total  |                    |                   |                    |
| 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              |
| MAY'11 | 0.00                                 | 0.72     | 1.29                                  | 11.96    | 13.25  | 1.29               | 12.68             | 13.97              |
| JUN'11 | 0.00                                 | 0.68     | 1.66                                  | 11.66    | 13.32  | 1.66               | 12.34             | 14.00              |
| TOTALS | 0.00                                 | 8.30     | 14.15                                 | 129.75   | 143.90 | 14.15              | 138.05            | 152.20             |

| Date   | Water Produced<br>Acre Feet | Water Delivered<br>Acre Feet | Wtr Loss | % Loss |
|--------|-----------------------------|------------------------------|----------|--------|
| 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%  |
| MAY'11 | 13.94                       | 13.97                        | -.03     | -.22%  |
| JUN'11 | 14.25                       | 14.00                        | 0.25     | 1.75%  |
| TOTALS | 154.16                      | 152.20                       | 1.96     | 1.27%  |

BORREGO WATER DISTRICT  
 Water Production / Use Records  
 ID # 4  
 Month of June 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 |
| =====                                    | =====  | =====  | =====  | =====  | =====   | =====   | =====   | =====  | =====   | =====   | =====    |
| 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   |
| MAY'11                                   | 0.00   | 0.00   | 61.63  | 26.75  | 12.22   | 49.97   | 7.46    | 0.12   | 0.00    | 158.15  | 137.00   |
| JUN'11                                   | 0.00   | 0.00   | 52.61  | 23.50  | 10.02   | 49.34   | 5.10    | 0.22   | 0.00    | 140.79  | 123.58   |
| TOTALS                                   | 0.00   | 0.00   | 635.63 | 220.27 | 133.78  | 604.83  | 57.40   | 3.12   | 0.00    | 1655.03 | 1477.75  |
| =====                                    | =====  | =====  | =====  | =====  | =====   | =====   | =====   | =====  | =====   | =====   | =====    |

| Date   | Water Produced<br>Acre Feet | Water Use<br>Acre Feet | Wtr Loss | % Loss | ID 5<br>Acre Feet |
|--------|-----------------------------|------------------------|----------|--------|-------------------|
| =====  | =====                       | =====                  | =====    | =====  | =====             |
| 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             |
| MAY'11 | 158.15                      | 142.96                 | 15.19    | 9.60%  | 21.15             |
| JUN'11 | 140.79                      | 127.47                 | 13.32    | 9.46%  | 17.21             |
| TOTALS | 1655.03                     | 1472.39                | 182.64   | 11.04% | 177.28            |
| =====  | =====                       | =====                  | =====    | =====  | =====             |

# BORREGO WATER DISTRICT NEW METER INSTALLATION

EXISTING ACCOUNTS

| SA-1 | SA-3 | SA-4 | SA-5 | TOTAL |
|------|------|------|------|-------|
| 345  | 135  | 1549 | 105  | 2134  |

New meter installation since July 1, 2010

|                    | SA-1 | SA-3 | SA-4 | SA-5 | TOTAL    |
|--------------------|------|------|------|------|----------|
| <b>JULY</b>        | 0    | 0    | 0    | 0    | 0        |
| <b>AUGUST</b>      | 0    | 0    | 0    | 0    | 0        |
| <b>SEPTEMBER</b>   | 0    | 0    | 0    | 0    | 0        |
| <b>OCTOBER</b>     | 0    | 0    | 0    | 0    | 0        |
| <b>NOVEMBER</b>    | 0    | 0    | 1    | 0    | 1        |
| <b>DECEMBER</b>    | 0    | 0    | 0    | 0    | 0        |
| <b>JANUARY</b>     | 0    | 0    | 0    | 0    | 0        |
| <b>FEBRUARY</b>    | 0    | 0    | 3    | 0    | 3        |
| <b>MARCH</b>       | 0    | 0    | 0    | 0    | 0        |
| <b>APRIL</b>       | 0    | 0    | 5    | 0    | 5        |
| <b>MAY</b>         | 0    | 0    | 0    | 0    | 0        |
| <b>JUNE</b>        | 0    | 0    | 0    | 0    | 0        |
| <b>Y-T-D TOTAL</b> |      |      |      |      | <b>9</b> |

**7 New Meter Installations 2009/10**  
**5 New Meter Installations 2008/9**  
**22 New Meter Installations 2007/8**  
**61 New Meter Installations 2006/07**  
**110 New Meter Installations 2005/06**  
**90 New Meter Installations 2004/05**

## BORREGO WATER DISTRICT METER INSTALLATION HISTORY

| <u>YEAR</u>    | <u>SA# 4</u><br><u>NEW METERS</u>     | <u>TOTAL METERS</u> |
|----------------|---------------------------------------|---------------------|
| <u>2010/11</u> | <u>9</u>                              | <u>1549</u>         |
| 2009/10        | 7                                     | 1540                |
|                | 3 meters removed/1 per owner 2 unpaid |                     |
| 2008/9         | 3                                     | 1536                |
| 2007/8         | 10                                    | 1533                |
| 2006/7         | 39                                    | 1523                |
| 2005/6         | 96                                    | 1484                |
| 2004/5         | 79                                    | 1388                |
| 2003/4         | 58                                    | 1308                |
| 2002/3         | 32                                    | 1250                |
| 2001/2         | 23                                    | 1218                |

| <u>YEAR</u>    | <u>SA # 3</u><br><u>NEW METERS</u> | <u>TOTAL METERS</u> |
|----------------|------------------------------------|---------------------|
| <u>2010/11</u> | <u>0</u>                           | <u>135</u>          |
| 2009/10        | 0                                  | 135                 |
| 2008/9         | 0                                  | 133                 |
| 2007/8         | 0                                  | 133                 |
| 2006/7         | 4                                  | 133                 |
| 2005/6         | 11                                 | 129                 |
| 2004/5         | 6                                  | 118                 |
|                | (29) METERS REMOVED FROM LA CASA   |                     |
| 2003/4         | 7                                  | 141                 |
| 2002/3         | 3                                  | 134                 |
| 2001/2         | 0                                  | 131                 |

| <u>YEAR</u>    | <u>SA # 1</u><br><u>NEW METERS</u> | <u>TOTAL METERS</u> |
|----------------|------------------------------------|---------------------|
| <u>2010/11</u> | <u>0</u>                           | <u>345</u>          |
| 2009/10        | 0                                  | 345                 |
| 2008/9         | 1                                  | 345                 |
| 2007/8         | 12                                 | 344                 |
| 2006/7         | 18                                 | 332                 |
| 2005/6         | 3                                  | 314                 |
| 2004/5         | 5                                  | 311                 |
| 2003/4         | 3                                  | 306                 |
| 2002/3         | 6                                  | 303                 |
| 2001/2         | 1                                  | 297                 |

| <u>YEAR</u>    | <u>SA# 5</u> | <u>TOTAL METERS</u> |
|----------------|--------------|---------------------|
| <u>2010/11</u> |              | <u>105</u>          |

|                         |             |
|-------------------------|-------------|
| TOTAL SA 1, 3, 4, and 5 |             |
| TOTAL METERS IN GROUND  | <u>2134</u> |

updated 07/20/11