

**Borrego Water District Board of Directors  
SPECIAL MEETING AGENDA  
September 20, 2011, 9:00 AM  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Comments from Directors and Requests for Future Agenda Items
- F. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)

**II. CURRENT BUSINESS MATTERS**

- A. Discussion and possible action regarding **Resolution 2011-09-01 & NOI for New Delinquencies & NOI for Existing Delinquencies** of Montesoro properties. (page 3-32)
- B. Discussion and possible action regarding **County of San Diego Proposed Groundwater Ordinance Amendment and BWD MOA**. (page 33-46)
- C. Discussion and possible action regarding the collection of availability charges due the District from Montesoro properties and other Montesoro-related questions.
- D. Discussion and possible action regarding committee structure for FY 2012 GWM and ABD-IRWM planning process. (page 47-51)
- E. Discussion and possible action regarding FY 2012 “BWD Cash Flow 2011-2012” report. (page 52-60)
- F. Discussion and possible action regarding recommendations in “FY 2013 Rate Model Memorandum.” (page 61-75)
- G. Discussion and possible action regarding “Good Governance Standards for Financial Decision Making” policy. (page 76)
- H. Discussion of USGS Basin MODFLOW modeling results and community technical input.
- I. Review of FYE 2011, Water Usage calculations by customer class. (page 77)

**III. CLOSING PROCEDURE**

**Adjournment** The next Regular Meeting of the Board of Directors is scheduled for September 28, 2011 at the Borrego Water District.  
The next meeting of the ABD-IRWM stakeholders planning group is scheduled for today, September 20th at 1:00PM.

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Recording requested by and  
when recorded mail to:

Borrego Water District CFD 2007-1  
c/o Stradling Yocca Carlson & Rauth  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660  
Attn: Allison E. Burns

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## IMPORTANT NOTICE

### **NOTICE OF INTENT TO REMOVE DELINQUENT SPECIAL TAX INSTALLMENTS FROM THE TAX ROLL COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE BORREGO WATER DISTRICT**

The Board of Directors acting on behalf of Community Facilities District 2007-1 of the Borrego Water District have ordered the transmittal to the San Diego County Tax Collector ("Tax Collector") of documents necessary to credit the Tax Collector upon the tax roll and to relieve the Tax Collector of further duty thereto in the Community Facilities District No. 2007-1 of the Borrego Water District and ordered foreclosure actions to foreclose the delinquent special assessment installments against the delinquent properties listed on the attached EXHIBIT "A" pursuant to Government Code section 53356.2.

Delinquencies occurring subsequent to the recordation of this notice may also be removed from the County Tax Roll. Recordation of this document constitutes notice that while the above-referenced delinquencies may not appear on the County Tax Roll, they continue to represent a lien against the subject properties and are being collected by Borrego Water District. All inquiries should be directed to:

Allison E. Burns  
Stradling Yocca Carlson & Rauth  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660  
(949) 725-4000

Dated: September \_\_, 2011

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By:  
President of the Board of Directors of  
Borrego Water District  
County of San Diego, State of California

STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO

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) ss  
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On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

EXHIBIT "A"

List of Delinquent Parcels - Community Facilities District No. 2007-1

<u>APN</u>	<u>Owner</u>
2004006100	BOLANOS REVOCABLE TRUST 07-19-01
2003113800	BORREGO 36 L L C
2004002600	BORREGO 36 L L C
2004006000	BORREGO 36 L L C
2004014600	BORREGO 36 L L C
2004015900	BORREGO 36 L L C
2003700300	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003700400	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003700500	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003700600	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003700700	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003700800	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003700900	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701000	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701100	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701200	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701300	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701400	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701500	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701600	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701700	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701800	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003701900	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702000	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702100	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702200	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702300	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702400	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702500	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702600	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702700	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702800	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003702900	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003703000	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003703100	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003703200	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003703300	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003703400	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003703500	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003703600	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003800100	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003800200	FIRST AMERICAN TRUST TR NO 1082-0270-00
2003800300	FIRST AMERICAN TRUST TR NO 1082-0270-00
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2003800800 FIRST AMERICAN TRUST TR NO 1082-0270-00  
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2003903000 FIRST AMERICAN TRUST TR NO 1082-0270-00  
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2003903200 FIRST AMERICAN TRUST TR NO 1082-0270-00  
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2002811400 G H L A MONTESORO INVESTORS L L C  
2002830700 G H L A MONTESORO INVESTORS L L C  
2003111800 G H L A MONTESORO INVESTORS L L C  
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2003400600 G H L A MONTESORO INVESTORS L L C  
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2004001100 G H L A MONTESORO INVESTORS L L C  
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2004001700 G H L A MONTESORO INVESTORS L L C  
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2004001900 G H L A MONTESORO INVESTORS L L C  
2004002000 G H L A MONTESORO INVESTORS L L C  
2004002100 G H L A MONTESORO INVESTORS L L C

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2004002200 G H L A MONTESORO INVESTORS L L C  
2004002300 G H L A MONTESORO INVESTORS L L C  
2004002400 G H L A MONTESORO INVESTORS L L C  
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2004012300 G H L A MONTESORO INVESTORS L L C  
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2004012500 G H L A MONTESORO INVESTORS L L C  
2004012600 G H L A MONTESORO INVESTORS L L C  
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2002740200 G H L A MONTESORO INVESTORS L L C  
2002730100 G H L A MONTESORO INVESTORS L L C  
2004016800 MORELLI VINCENZO  
2003506700 NAPOLITANO TED & CAROLYN L  
2003601500 PERLMAN GREGORY  
2003504600 ROBERT FAMILY TRUST 04-26-84

Recording requested by and  
when recorded mail to:

Borrego Water District CFD 2007-1  
c/o Stradling Yocca Carlson & Rauth  
660 Newport Center Drive, Suite 1600  
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Attn: Allison E. Burns

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(949) 725-4000

Dated: September \_\_, 2011

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By:  
President of the Board of Directors of  
Borrego Water District  
County of San Diego, State of California

STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO

)  
) ss  
)

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2001203900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001204100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001204800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001205100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001205200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001205300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001401200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001603000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002102200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002710300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002710400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002710600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002710700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002711500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002711600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002713400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002713700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002720800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730800 <sup>1</sup>	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002751000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2002751100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

<sup>1</sup> The County Assessor split APN 200-273-01 to APNs 200-273-08 and 200-273-09 in FY 2010-11. APN 200-273-08 is owned by GHLS Montesoro Investors, LLC, and considered a taxable parcel by the County Assessor. APN 200-273-09 is owned by Borrego Water District and considered fully exempt by the County Assessor. APN 200-273-01 is currently in foreclosure for FY 2009-10 delinquent special taxes.

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALL-MENT</b>	<b>FUND NO.</b>
2003601000	HAUPT KENNETH C TRUST 12-06-91	2010	1 <sup>st</sup> & 2nd	641506
2003601800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2004001200	SMITH KENT R REVOCABLE LIVING TRUST	2010	1 <sup>st</sup> & 2nd	641506
2004001300	SMITH KENT R REVOCABLE LIVING TRUST	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
2002740200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002750800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2002750900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003400100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003400400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003400500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003400600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003400700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003402300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2003407400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003409000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003502400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003601700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003700300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2003701700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2003801000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
2003901200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2003904200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**RESOLUTION NO. 2011-09-01**

**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 ORDERING JUDICIAL FORECLOSURE OF DELINQUENT SPECIAL TAXES PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AND ORDERING THAT THE TAX COLLECTOR BE CREDITED WITH THOSE SPECIAL TAXES**

**WHEREAS**, Community Facilities District No. 2007-1 of the Borrego Water District (“CFD No. 2007-1”) has incurred bonded indebtedness and levied special taxes for the payment of bonds pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (commencing with Section 53311 of Part 1 of division 2 of Title 5 of the Government Code) (the “Mello-Roos Act”); and

**WHEREAS**, pursuant to the Mello-Roos Act, CFD No. 2007-1 has duly and regularly levied and recorded the unpaid special taxes, which special taxes and each installment thereof and interest and penalties thereon constitute liens against the lots and parcels of land against which they are made, until the same are paid; and

**WHEREAS**, certain special tax installments have not been paid when due, and certain installments of those special taxes may not be paid in the future; and

**WHEREAS**, under the provisions of Section 53356.1 of the Government Code of the State of California, this Board of Directors acting in its capacity as the legislative body of CFD No. 2007-1 is authorized, not later than four (4) years after the due date of the last installment of principal, to order the same to be collected by an action brought in the superior court to foreclose the lien of those special taxes; and

**WHEREAS**, pursuant to the provisions of Section 53356.1(b) of the Mello Roos Act, CFD No. 2007-1 is required by covenant with the bondholders to institute judicial foreclosure proceedings; and

**WHEREAS**, the Board of Directors acting in its capacity as the legislative body of CFD No. 2007-1 has determined that the public convenience and necessity require prompt action, at the District's General Counsel's discretion, to initiate foreclosure proceedings; and

**WHEREAS**, under the provisions of Section 53356.2 of the Mello Roos Act, when such foreclosure action is ordered, the county tax collector shall be credited upon the current tax roll with the amount charged on account of the delinquent special taxes to be sued on, including applicable penalties, interest and costs and to be relieved of further duty in regard thereto.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Borrego Water District acting in its capacity as the legislative body of Community Facilities District No. 2007-1 of the Borrego Water District as follows:

**SECTION 1.** The delinquent special taxes on parcels listed on Exhibit A attached hereto and incorporated herein, and all future installments of special taxes which are not paid when due, shall be collected by action brought in the Superior Court of San Diego County to foreclose the liens thereof.

**SECTION 2.** CFD No. 2007-1 is hereby authorized and directed to have the law firm of Stradling Yocca Carlson & Rauth, 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660, institute such actions in the name of CFD No. 2007-1 and the Borrego Water District to foreclose the liens of all such delinquent special taxes.

**SECTION 3.** The Assistant Treasurer of the Borrego Water District, in cooperation and in conjunction with the District's General Counsel, is authorized and directed to transmit a certified copy of this resolution to the Auditor's and/or Tax Collector's office of the County of San Diego with a letter that shall state that:

a. The Board of Directors has ordered that the delinquent special tax installments be collected by action brought in the Superior Court of San Diego County to foreclose the liens thereof;

b. Pursuant to Government Code Section 53356.2, the San Diego County Tax Collector is to be credited upon the current tax roll with the amount charged on account of the delinquent special taxes to be sued on, including applicable penalties, interest and costs and to be relieved of further duty in regard thereto; and

c. All inquiries regarding payment of the delinquent special taxes shall be forwarded to Stradling Yocca Carlson & Rauth c/o Allison E. Burns, Esq., 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660.

**SECTION 4.** This resolution shall take effect immediately upon its adoption.

**ADOPTED, SIGNED AND APPROVED** this \_\_\_ day of \_\_\_\_\_, 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 regular meeting held on the \_\_\_ day of \_\_\_\_\_, 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. 2011-09-01, of said Board, and that the same has not been amended or repealed.

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
Secretary of the Board of Directors of Borrego Water District

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2001203900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001204100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001204800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001205100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001205200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001205300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001401200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2001603000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002102200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002710300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002710400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002710600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002710700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002711500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002711600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002713400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002713700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002720800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730800 <sup>1</sup>	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002730700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002751000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2002751100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

<sup>1</sup> The County Assessor split APN 200-273-01 to APNs 200-273-08 and 200-273-09 in FY 2010-11. APN 200-273-08 is owned by GHLS Montesoro Investors, LLC, and considered a taxable parcel by the County Assessor. APN 200-273-09 is owned by Borrego Water District and considered fully exempt by the County Assessor. APN 200-273-01 is currently in foreclosure for FY 2009-10 delinquent special taxes.

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALL-MENT</b>	<b>FUND NO.</b>
2003601000	HAUPT KENNETH C TRUST 12-06-91	2010	1 <sup>st</sup> & 2nd	641506
2003601800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2004001200	SMITH KENT R REVOCABLE LIVING TRUST	2010	1 <sup>st</sup> & 2nd	641506
2004001300	SMITH KENT R REVOCABLE LIVING TRUST	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
2002740200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2002750800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2002750900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003400100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003400400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003400500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003400600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003400700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003402300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003405900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003406900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
2003407400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003407900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408100	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408200	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408300	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408500	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408600	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408800	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003408900	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003409000	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003502400	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003601700	G H L A MONTESORO INVESTORS L L C	2010	1 <sup>st</sup> & 2nd	641506
2003700300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003700900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2003701700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003701900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003702900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003703800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003800900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2003801000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003801900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003802800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003900900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2003901200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003901900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003902900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903700	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903800	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003903900	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904000	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904100	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

**EXHIBIT "A"**  
**List of Delinquent Parcels – Community Facilities District No. 2007-1**

<b>APN</b>	<b>OWNER</b>	<b>ROLL YEAR</b>	<b>INSTALLMENT</b>	<b>FUND NO.</b>
2003904200	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904300	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904400	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904500	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506
2003904600	FIRST AMERICAN TRUST TR NO 1082-0270-00	2010	1 <sup>st</sup> & 2nd	641506

## SAN DIEGO COUNTY GROUNDWATER ORDINANCE

ORDINANCE NO. 7994 (N.S.)  
ORDINANCE NO. 9644 (N.S.)  
ORDINANCE NO. 9826 (N.S.)

SAN DIEGO COUNTY CODE TITLE 6, DIVISION 7

CHAPTER 7 GROUNDWATER

### **Sec. 67.701 Short Title.**

This chapter shall be known as the San Diego County Groundwater Ordinance.

### **Sec. 67.702 Purpose and Intent.**

San Diego County overlies a complex groundwater resource that varies greatly throughout the entire County. This resource provides the only source of water for approximately 35,000 residents. Development has occurred and will continue to occur within this area, impacting the safe utilization of this valuable, finite and yet renewable resource. The purpose of this chapter is to establish regulations for the protection, preservation, and maintenance of this resource. It is not the purpose of this ordinance to limit or restrict agricultural activities, but to ensure that development will not occur in groundwater-dependent areas of the County unless adequate groundwater supplies are available to serve both the existing uses within the affected groundwater basin and the proposed uses. The economic, social, and environmental benefits of maintaining viable agriculture in San Diego County are expressly recognized in the adoption of this ordinance.

### **Sec. 67.703 Definitions.**

The following words shall have the meaning provided in this section. These definitions are to be broadly interpreted and construed to promote maximum conservation and prudent management of the groundwater resources within San Diego County.

Director: The Director of Planning and Land Use.

Groundwater Investigation: A study ~~designed to~~ that evaluates the geologic and hydrologic conditions, ~~and is prepared~~ in accordance with standards approved by the Director. The study ~~must~~ shall be prepared by a California State Registered Geologist

or Registered Civil Engineer and be approved by the Director. The Director may require the study to demonstrate the groundwater adequacy of the groundwater basin to serve both the project and the entire basin if developed to the maximum density and intensity permitted by the gGeneral pPlan. For residential uses, the study shall assume an annual consumptive use requirement of 0.5 acre-feet (163,000 gallons) of water per dwelling unit. ("Consumptive use" is the amount of groundwater lost ~~from the groundwater resource~~ due to human use, including evaporation and transpiration (plant use) ~~losses associated with human use.~~).

Residual Drawdown: The difference between the initial (static) water level before a well test is conducted and the water level after recovery. Projected residual drawdown indicates an aquifer of limited extent and the long-term well yield may be lower than what is indicated in a well test.

Specific Capacity: An expression of the productivity of a well, obtained by dividing the rate of discharge of water (in gallons per minute) from the well by the drawdown (in feet) of the water level in the well.

Water Intensive Use: Any land use that requires a permit listed in Section 67.711 and is not exempt from this ordinance, and that will require more water than 20 acre-feet per year or more than 20,000 gallons per day.

Water Service Agency: Any city, mutual or municipal water district, or any other private or public agency which provides water at retail from either: (1) groundwater resources, to two or more users; or (2) imported water resources. Such water service agency must be in existence prior to the date of submittal of any project relying on service from that agency.

Well Test: The production procedure, reviewed and approved by the Director, by which water is produced from a water well and resulting water levels are monitored. If the results of the testing are inconclusive or improperly conducted, additional testing will be required. (All wells must have a valid San Diego County Health Department well permit prior to construction.)

1. Residential Well Test: A test of a well on property with zoning which permits residential use, or which is for a residential project, shall be conducted by or under the direct supervision of a California State Professional (or Registered) Geologist, who shall conduct all analysis. The Residential Well Test shall meet or exceed all of the following minimum requirements unless the Director has first approved an alternate procedure:
  - a. Well production during the Residential Well Test must be maintained at a rate of no less than three gallons per minute.

- b. The Residential Well Test must be conducted over a period of at least 24 hours, unless after eight hours of pumping, the measured specific capacity is equal to or greater than 0.5 gallons per minute per foot of drawdown, at which time pumping can be terminated. In addition, all Residential Well Tests must produce at least two full well bore volumes of water (a bore volume is that quantity of water which is stored within the saturated portion of the drilled annulus of the well).
  - c. The analysis of the Residential Well Test must indicate that no residual drawdown is projected (taking into account minor inaccuracies inherent in collecting and analyzing well test data).
  - d. The analysis of the Residential Well Test must also indicate that the amount of drawdown predicted to occur in the well after five years of continual pumping at the rate of projected water demand, will not interfere with the continued production of sufficient water to meet the needs of the anticipated residential use(s).
2. Nonresidential Well Test: A test of a well for a nonresidential project (such as a golf course) shall be in accordance with procedures approved by the Director and may be more extensive than those applicable to a Residential Well Test.

**Sec. 67.710 Director to Enforce.**

The Director shall have the authority to enforce all the provisions of this Chapter. The Director may designate the County Groundwater Geologist as the employee responsible for implementing this Chapter, to:

1. Review and perform groundwater studies.
2. Conduct research on the groundwater resources of the County.
3. Review and make recommendations on all discretionary projects which fall under this ordinance.
4. Monitor and maintain files on the status of the resource.
5. Assist consultants, community groups, water service agencies and residents of the County in assessing groundwater concerns.
6. Identify groundwater impacted basins.
7. Prepare recommended revisions to the Groundwater Limitations Map.

**Sec. 67.711 Application.**

Prior to approval of any of the following discretionary land development applications for a project which proposes the use of groundwater (hereinafter referred to as "Projects"), the applicant shall comply with the provisions of Article 3 below:

General Plan and Specific Plan Adoptions and Amendments

Tentative Parcel Maps

Tentative Maps

Revised Tentative Parcel Maps and Revised Tentative Maps (Review shall exclude areas unaffected by the revisions proposed by the Revised Map)

~~Expired Tentative Parcel Maps and Expired Tentative Maps~~

Zoning Reclassifications Amending Use Regulations Applicable to Particular Property

Major Use Permits

Major Use Permit Modifications (Review shall exclude areas unaffected by the proposed modifications)

Certificates of Compliance filed pursuant to San Diego County Code Section 81.616.1 or 81.616.2 (Excluding Condominium Conversions)

Adjustment Plats filed pursuant to San Diego County Code Section 81.901 et seq., on property zoned to permit residential use, if the Director determines that the Adjustment Plat will create a lot which would potentially worsen existing or future groundwater conditions at the maximum density and intensity permitted by the General Plan and Zoning, taking into consideration long-term groundwater sustainability, groundwater overdraft, low well yield, and well interference. If the Director makes this determination, the Adjustment Plat shall comply with Section 67.722 but not Sections 67.720 or 67.721.

**Sec. 67.720 Borrego Valley.**

~~For any project located within~~ The following provisions apply to Projects in the Borrego Valley Exemption Area. This area is shown on the map entitled "Groundwater

Limitations Map", approved by the Board of Supervisors on May 5, 2004 (Item 15), on file with the Clerk of the Board of Supervisors as Document No. 0770050, any application listed in Section 67.711 which either (1) includes a water intensive use, or (2) consists of a total project area of 100 acres or more, and any application for a General Plan Amendment, shall be accompanied by a Groundwater Investigation. The application shall not be approved unless the approving authority finds that based upon the Groundwater Investigation, groundwater resources are adequate to meet the groundwater demands of the project.

A. A Project listed in Section 67.711 which will use at least one acre-foot (325,851 gallons) of water per year shall include one or more groundwater use reduction measures listed in subsection B below. The groundwater use reduction measures shall fully offset the amount of groundwater that the proposed project will use and shall result in "no net increase" in the amount of groundwater extracted from the Borrego Valley Exemption Area. The groundwater use reduction measures shall be implemented within the Borrego Valley Exemption Area as shown on the "Groundwater Limitations Map."

B. One or more of the following groundwater use reduction measures may be used:

1. Grant an easement to the County of San Diego on off-site land that is being actively irrigated in accordance with the following provisions:

a) The easement shall permanently and completely prohibit the use, extraction, storage, distribution or diversion of groundwater on the property subject to the easement, except for the use of a maximum of one acre-foot of groundwater per year for a single-family residence.

b) The amount and evidence of historic groundwater use and the terms and conditions of the easement shall be subject to the approval of the Director.

c) The use of the water on the land subject to the easement shall have started by January 1, 2008 and shall have continued to the date the proposed easement is submitted to the Department of Planning and Land Use.

d) The quantity of water available for offset shall be based on the total groundwater consumptive use for each vegetation type on the land subject to the easement as determined by the values in the following table:

<u>Vegetation Type</u>	<u>Groundwater Consumptive Use Per Acre (acre-feet/acre/year)</u>
<u>Citrus (all types)</u>	<u>4.6</u>
<u>Nursery plants</u>	<u>4.2</u>
<u>Palms (all types)</u>	<u>3.5</u>
<u>Tamarisk</u>	<u>1.6</u>
<u>Turf (warm season)</u>	<u>4.7</u>
<u>Turf (winter cool/ summer warm)</u>	<u>5.2</u>
<u>Potatoes</u>	<u>0.75</u>

To determine the groundwater consumptive use for each vegetation type within the easement area, the acreage of irrigated land for a particular vegetation type is multiplied by the "Groundwater Consumptive Use Per Acre" as listed in the table above. The "Groundwater Consumptive Use Per Acre" value for any vegetation types not listed in table above shall be determined by the Director.

- e) Submit the easement to the Department of Planning and Land Use for review, approval and recordation.
- 2. Water credits issued by the Borrego Water District that comply with the Memorandum of Agreement between the Borrego Water District and the County of San Diego regarding Water Credits dated XX/XX/XX, and any amendments thereto, on file with the Clerk of the Board of Supervisors.
- 3. Provide evidence to the satisfaction of the Director that all (or a portion of) the on-site water use occurring prior to the date of permit application will be permanently eliminated as a result of the Project.
- 4. Any other legally enforceable mechanism that achieves permanent water savings, subject to approval by the Director.

**Sec. 67.721 Groundwater Impacted Basins.**

- A. Identification and Mapping. Areas within the County which are characterized by one or more of the following groundwater problems shall be known as Groundwater Impacted Basins and shall be identified and mapped:

1. Low yielding wells having an overall average yield of less than 3 gallons per minute.
2. Basins with previously approved developments at a parcel size smaller than those stated in the table in paragraph A of Section 67.722 and in excess of available water resources.
3. Declining groundwater levels and a measurable groundwater overdraft.

The Groundwater Impacted Basins shall be designated on a map known as the "Groundwater Limitations Map" which shall be adopted by the Board of Supervisors and kept on file with the Clerk of the Board of Supervisors. Prior to adding any area to said map or making any deletions from or revisions to said map, the Board of Supervisors shall hold a public hearing. Notice of such hearing shall be mailed at least 30 days in advance, to the owner (as shown on the latest equalized assessment roll) of any property proposed to be added to or deleted from said map. The Director of Planning and Land Use shall annually review said map and may recommend such revisions as the Director finds appropriate.

- B. Regulations. Any application listed in Section 67.711 for a project within a Groundwater Impacted Basin shall be accompanied by a Groundwater Investigation. In addition, a Well Test shall be performed for each lot proposed to be created by or included within the project. The application shall not be approved unless the approving authority finds that based upon the Groundwater Investigation, groundwater resources are adequate to meet the groundwater demands both of the project and the groundwater basin if the basin were developed to the maximum density and intensity permitted by the General Plan.

#### **67.722 All Other Projects.**

Any application listed at Section 67.711 for a project not subject to Section 67.720 or Section 67.721, which proposes the use of groundwater not provided by a Water Service Agency, for all or any portion of the project, shall comply with the following regulations:

- A. Residential Density Controls.

Tentative Maps, Tentative Parcel Maps, and Certificates of Compliance proposing parcels for single-family dwellings must comply with the minimum parcel sizes set forth in the following table; Adjustment Plats on property zoned to permit residential use shall also comply with these minimum parcel sizes, except that an existing parcel smaller than the applicable minimum parcel size

need not be made to conform to the minimum, so long as it is not further reduced in size by the Adjustment Plat:

Mean Annual Precipitation* (inches)	Minimum Parcel Size**(Gross Acres)
Less than 9	20
9 to 12	15
12 to 15	11
15 to 18	8
18 to 21	5
More than 21	4

\*Mean annual precipitation is to be determined from the County of San Diego map entitled "Groundwater Limitations Map", approved by the Board of Supervisors on May 5, 2004 (Item 15), on file with the Clerk of the Board of Supervisors as Document No. 0770050.

\*\*Compliance with the minimum parcel size does not guarantee project approval; site-specific characteristics may indicate that either larger parcel sizes are required or that the project should not be approved in individual cases.

- B. Groundwater Investigations. Any application listed in Section 67.711 and not subject to Sections ~~67.720~~, 67.721 or Paragraph A above, shall be accompanied by a Groundwater Investigation. The application shall not be approved unless the approving authority finds, based upon the Groundwater Investigation or other available information, either: (1) for a water intensive use, that groundwater resources are adequate to meet the groundwater demands both of the project and the groundwater basin if the basin were developed to the maximum density and intensity permitted by the General Plan; or (2) for all other projects, that groundwater resources are adequate to meet the groundwater demands of the project.
- C. Well Tests. For any application for a Tentative Map, Specific Plan or Specific Plan Amendment, Tentative Parcel Map, Adjustment Plat or a Certificate of Compliance, well tests shall be performed for the number of lots shown in the following table. Tests shall be on lots which appear to have the least access to a viable groundwater supply as determined in advance of testing by the Director, who shall also specify nearby wells to be monitored while the testing is being conducted. If any well does not pass the requirements for Well Tests stated in Section 67.703 above, the Director may require additional well tests beyond what is required in the following table:

Number of Proposed Lots*	Number of Required Well Tests
1 through 10	1
11 through 20	2
21 through 30	3
31 through 40	4
Greater than 40	5

\* Excluding remainder parcels and "not a part" areas

**Sec. 67.750 Exemptions.**

- (a) A proposed subdivision which pursuant to the terms of Government Code Section 66424 or 66426 is exempt from the requirement to file a Tentative Map or Tentative Parcel Map is not subject to this Ordinance unless it also involves an application for a General Plan or Specific Plan adoption or amendment, a Zoning Reclassification, or a Major Use Permit or modification thereof.
- (b) The following Major Use Permits or Major Use Permit modifications are exempt from this ordinance:
  - (1) Those involving the construction of agricultural and ranch support structures used in the production, storage, or processing of food, fiber, and flowers, including but not limited to roadside stands, barns, sheds, packing houses, and greenhouses, except that this exception does not apply to feed lots.
  - (2) Those involving new or expanded agricultural land uses, including but not limited to changes in commodities produced on the property, operations performed upon such commodities, and development of additional irrigated acreage on the property unless accompanied by subdivision.

This agricultural exemption does not supersede or limit the application of any law or regulation otherwise applicable to the above-listed categories of agricultural support activities including the California Environmental Quality Act. For purposes of this exemption, "agricultural and ranch support structures" do not include the commercial exportation of groundwater for purposes of resale outside the basin.

- (c) Director may grant an exemption from the requirement for a Groundwater Investigation imposed by Section 67.720, 67.721 or 67.722.B, the requirement for Well Tests imposed by Section 67.721 or 67.722.C, or the requirement for minimum parcel sizes imposed by Section 67.722.A, upon a finding that existing

data clearly demonstrate that the finding required by Section 67.722.B. can be made without additional study. Such data may include a recent history (minimum of five years) of groundwater withdrawals or streamflow data and other geomorphic evidence which indicates that replenishment of groundwater resources is rapid and reliable, and is controlled primarily by infiltration of streamflow rather than on-site recharge.

DRAFT

MEMORANDUM OF AGREEMENT  
BETWEEN THE BORREGO WATER DISTRICT  
AND THE COUNTY OF SAN DIEGO  
REGARDING WATER CREDITS

This Memorandum of Agreement (MOA) between the Borrego Water District (BWD), a water district formed pursuant to California law, and the County of San Diego (County), a political subdivision of the State of California, is entered into on \_\_\_\_\_.

Whereas, the Borrego Aquifer is in a state of overdraft due to the extensive use of groundwater in the Borrego Valley.

Whereas, due to the overdraft condition, BWD plans to implement a program to encourage the voluntary and immediate cessation and/or reduction of measurable water uses to reduce the demand on the groundwater aquifer that is under the Borrego Valley.

Whereas, a key element in BWD's program is the issuance of water credits for the cessation and reduction in the use of groundwater in accordance with BWD's program.

Whereas, due to the overdraft condition, County wants to ensure that proposed uses in the Borrego Valley offset their demand for groundwater by a ratio of least a one-to-one, and water credits issued by BWD that also meet County's requirements are one method that project applicants can use to provide this offset.

Whereas, BWD and County wish to enter into this MOA to set forth the terms by which the County will recognize water credits issued by BWD.

NOW, THEREFORE, the parties agree as follows:

1. The County will recognize water credits issued by BWD if the water credits meet all of the criteria set forth in this MOA.
2. The water credits shall have been issued in exchange for an easement granted to BWD. The easement shall include the following provisions:
  - a. The easement shall permanently and completely eliminate the extraction, use, storage, distribution or diversion of groundwater on the land subject to the easement, except for one-acre foot of groundwater per year to serve a single-family dwelling.
  - b. The easement shall designate County as a third-party beneficiary with the right, but not the obligation to enforce the easement. The easement shall give

County the same right of access for purposes of monitoring compliance with the easement and the same options for enforcing the easement as the easement gives to BWD.

3. Before accepting the easement, BWD shall verify that all extraction, use, storage, distribution or diversion of groundwater on the property subject to the easement has ceased, that all crops or turf have been removed and that all pumps and wells on the property, if any, have been disengaged or rendered inoperable.

4. Each water credit shall be equal to one-acre foot of water per year.

5. The number of water credits issued shall be based on the water use as determined on the chart attached to this MOA as Exhibit A. The water use shall be calculated based on the vegetation types, vegetation area being actively irrigated and corresponding annual groundwater consumptive use as specified in Exhibit A. BWD shall obtain the prior written approval of County for any vegetation not listed in Exhibit A and for the amount of water use calculated for that vegetation.

6. The irrigation of the land for which the water credits are issued shall have begun before January 1, 2008 and shall have continued until the date the application was submitted to BWD for the water credits.

7. BWD shall include the following certification on each Water Credit Certificate that BWD issues for water credits granted in compliance with this MOA:

The Borrego Water District certifies that the water credits listed on this Water Credit Certificate comply with all of the requirements of the Memorandum of Agreement Between the Borrego Water District and the County of San Diego Regarding Water Credits dated \_\_\_\_\_.

\_\_\_\_\_  
Borrego Water District  
General Manager

\_\_\_\_\_  
Date

8. BWD may issue water credits that do not comply with this MOA, but County will recognize only those water credits that comply with the requirements of this MOA.

9. County reserves the right to verify that water credits issued by BWD comply with this MOA. BWD shall provide information and answer questions related to water credits presented to County for offsets or related to BWD's groundwater use reduction program as requested by County. If, in spite of the certification described in paragraph 7 above, County determines that the water credits do not comply with this MOA, County will not recognize the water credits for offsets.

10. Either party may terminate this MOA on 30 days prior written notice to the other party. Notice of termination shall be addressed as follows:

To County:  
Director of Planning and Land Use  
[Address]

To BWD:  
\_\_\_\_\_  
\_\_\_\_\_

11. This MOA may be amended or changed only by a written amendment signed by both parties.

12. This MOA is an enforceable agreement.

Now, therefore, the parties execute this MOA as of the date first written above.

COUNTY OF SAN DIEGO

BORREGO WATER DISTRICT

By: \_\_\_\_\_  
Clerk of the Board of  
Supervisors

By: \_\_\_\_\_  
[title]

Approved as to form and legality  
County Counsel

Approved as to form and legality

By: \_\_\_\_\_  
Senior Deputy

By: \_\_\_\_\_  
[title]



County of San Diego Department of Planning and Land Use  
**Assumptions Used for Calculation of Water Offset Credits**

The amount of water credit (in acre-feet/acre) to be granted for land with an actively irrigated use that will be permanently taken out of production is listed for the most common vegetation types in Borrego Valley:

Vegetation Type	Groundwater Offset Credit (acre-feet/acre/year)
Citrus (all types)	4.6
Nursery plants	4.2
Palms (all types)	3.5
Tamarisk	1.6
Turf (warm season)	4.7
Turf (winter cool/summer warm)	5.2

This was determined by the following equation:

$$\text{Annual Groundwater Consumptive Use (acre-feet/year)} = [\text{Reference Evapotranspiration (feet/year)} \times \text{Plant Factor} \times 1 \text{ acre}] / \text{Irrigation Efficiency}$$

Where:

**Annual Groundwater Consumptive Use** (acre-feet per year), defined as the amount of groundwater lost through evapotranspiration (evaporation from the soil and transpiration from the plant).

**Reference Evapotranspiration (ET<sub>o</sub>)** (feet per year), defined as the approximation of water loss from a field of 4- to 7-inch-tall cool season grass that is not water stressed. ET<sub>o</sub> values are published by the California Irrigation Management System (CIMIS). For the calculation, please use the most currently published average annual ET<sub>o</sub> from CIMIS Station 207 in Borrego Springs. As of May 18, 2011, Station 207 had an average annual ET<sub>o</sub> of 6.3 feet (source for ET<sub>o</sub>: <http://www.cimis.water.ca.gov>).

**Plant Factor** (or Crop Coefficient), defined as the fraction of water lost from the plant relative to ET<sub>o</sub>. The annual plant factor is listed for the most common vegetation types in Borrego Valley:

Vegetation Type	*Plant Factor
Citrus (all types)	0.65
Nursery plants	0.6
Palms (all types)	0.5
Tamarisk	0.2
Turf (warm season)	0.6
Turf (winter cool/summer warm)	0.66

\*Plant factor for other plant types shall be obtained from publications by the State of California or University of California

Sources for Plant Factor: [http://www.water.ca.gov/pubs/planning/guide\\_to\\_estimating\\_irrigation\\_water\\_needs\\_of\\_landscape\\_plantings\\_in\\_ca/wucols.pdf](http://www.water.ca.gov/pubs/planning/guide_to_estimating_irrigation_water_needs_of_landscape_plantings_in_ca/wucols.pdf)  
<http://celosangeles.ucdavis.edu/newsletterfiles/Co-Hort11051.pdf>

**Irrigation Efficiency**, defined as a measure of the portion of total applied irrigation water beneficially used to satisfy the plants needs. Losses (non-beneficial use) include runoff, evaporation from wet soil surfaces, and irrigation return flow to the aquifer. The numbers below were adjusted to take into consideration the assumption that 10% of the total applied water is irrigation return flow back to the aquifer.

Irrigation Method	Irrigation Efficiency
Spray/Rotor (turf, tamarisk)	0.8
Drip (Citrus, nursery plants, palms)	0.9

Source for Irrigation Efficiency: Turf and Landscape Irrigation Best Management Practices, April 2005, Water Management Committee of the Irrigation Association



# Anza Borrego Desert Integrated Regional Water Management

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

September 9, 2011

Dear Stakeholders:

The Anza Borrego Desert Integrated Region Management Group would like to take this opportunity to invite all interested stakeholders to our planning meeting which will be held on September 20, 2011 at 1:00 pm.

Last year, the Anza Borrego Desert Integrated Region Management Group submitted a "Planning Grant" application to the California Department of Water Resources (DWR) in the amount of \$510,399. This funding was requested in order to create our regional water management plan. This "regional" plan would then be eligible for State grant funding through proposition 84 as well as other future state water bonds. The application did not score high enough to receive funding. This fall the DWR is once again offering this opportunity to secure funding to finance the proposed plan. To help facilitate this process, the Borrego Water District has hired a professional consulting firm, RMC Water and Environment, to write a winning grant application for this funding opportunity.

As part of this process, we would like to include the regional stakeholders in the process from the beginning to ensure the needs of the region are truly addressed. Please accept our invitation to participate in the planning process of this program so we can prove to the DWR that we have strong stakeholder support for our proposed integrated regional water management plan.

The kick off meeting will be held at the Borrego Water District office located at 806 Palm Canyon Drive, Borrego Springs, CA 92004. We have posted historical data from the planning effort and the application on our website, [www.borregowd.org](http://www.borregowd.org) and click on "Our Future Direction" tab, followed by the IRWMP page, or by following this link:

[http://www.borregowd.org/Page\\_2.php](http://www.borregowd.org/Page_2.php)

Your input and support will send an important signal to the DWR that we are working together, as stakeholders, to address our regional water issues.

Thank you.

Sincerely,

Jerry Rolwing  
Chair, Anza Borrego Desert IRWMP



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# Anza Borrego Desert Planning Region Integrated Regional Water Management Plan

Tuesday September 20, 2011

1:00 – 3:30 p.m.

**Borrego Water District**  
806 Palm Canyon Drive, Borrego Springs, CA 92004

## AGENDA

1. Welcome and Introductions - Jerry Rolwing, BWD
2. Review Outcomes of Last Meeting, July 19, 2011 - Jerry Rolwing, BWD
  - a. DWR/CCP Report
3. IRWM Goals and Objectives - Tish Berge, RMC
  - a. DWR Goals
  - b. ABD IRWM Region Goals
    - i. Winning a DWR planning grant, and
    - ii. Working together to plan for regional water resource management
4. Meeting Goals and Objectives - Tish Berge, RMC
5. IRWM Plan and Funding Opportunities - Tish Berge and Rosalyn Prickett, RMC
  - a. Purpose of IRWM Plan
  - b. IRWM Plan Update requirements
  - c. Planning Projects vs. Implementation Projects in IRWM
    - i. Planning projects as roadmap for implementation projects
  - d. Types of planning projects eligible for Prop 84 funding
  - e. Eligible funding recipients
6. Review of Prop 84 Planning Grant Round 1 Submission - Jerry Rolwing, BWD
  - a. Recap DWR Comments - Anna Aljabiry, DWR
7. Development of Prop 84 Planning Grant Round 2 Submission - Tish Berge, RMC
  - a. Anticipated *revised* schedule for Proposal Solicitation Package (PSP)
  - b. Review DWR IRWM Guidelines and Proposal Solicitation Package (Round 1)
  - c. Review RWMG proposed projects for submission in Round 2
    - i. Goal is to develop alternative plans to implement a solution
8. DWR Report - Anna Aljabiry, DWR
9. Next Steps
  - a. Review Action Items/Next Meeting

**PROPOSAL EVALUATION**  
**IRWM Grant Program – Planning Grant, Round 1, FY 2010-2011**

<b>Applicant</b>	Borrego Water District	<b>County</b>	San Diego, Riverside
<b>Project Title</b>	Anza Borrego Desert IRWM Planning Grant	<b>Grant Request</b>	\$510,399
		<b>Total Project Cost</b>	\$680,532

**Project Description** The proposed IRWM Plan will reduce water demand, construct upgrades to failing infrastructures, address problems with invasive species, study flood control with possible aquifer recharge, water quality evaluation/education and conjunctive use options including the storage of water in the depleted areas of the Borrego Valley Aquifer.

**Evaluation Summary**

Scoring Criterion	Score
Work Plan	9
DAC Involvement	8
Schedule	6
Budget	10
Program Preferences	3
Geographic Balance	0
<i>Total Score</i>	<i>36</i>

- **Work Plan** The work plan does not fully address the criteria and lacked sufficient supporting documentation. Tasks are defined and support the proposal (plan development); however, deliverables are not always clear or explicitly cited in each task. The work plan in general is missing details and referencing. More specifics in the work plan would have yielded a higher score.
- **DAC Involvement** The applicant provides full description of the DAC areas within the region, which consisted of the entire region. Historical information and future collaboration is discussed. DACs are notified of meetings through a local newspaper and the Borrego Water District website. The RWMG did attempt to involve local tribes in the process, but they declined to participate. The applicant is planning to have projects implemented within the DACs; however, the application did not provide enough detail about how the DACs will continue to be involved in the process in the future.
- **Schedule** Schedule is consistent with work plan and budget, but does not reflect a reasonable time line. For instance, the final plan is scheduled to be prepared by the end of June 2011; however, the technical analysis is not scheduled to be complete until October 2011. In addition, several tasks scheduled to be performed simultaneously are scheduled to be completed by June 2011, coinciding with the completion date of the final Plan. While this may be possible, it doesn't provide adequate time for stakeholder comments and integration of any changes into the final plan.
- **Budget** The budget is presented as a summary of the overall project. Detailed information is provided with each project task. Labor rates and hours associated with specific task are provided. Summary of budget shows proposed funding match and requested grant fund by percentage. Budget items correspond to tasks in the work plan and correlate directly with items in the schedule. Overall budget for project seems reasonable for the quantity of work proposed.
- **Program Preference** The proposal demonstrates a high degree of certainty that three program preferences will be implemented through the plan. Those program preferences are: include regional projects or programs, address critical water supply or water quality needs of DACs, and effectively integrate water management with land use planning.
- **Geographic Balance** Not Applicable

# Preliminary Draft Work Plan Outline

This scope of work assumes a two-year (24-month) grant contract timeframe through adoption of the IRWM Plan Update in June 2014.

## **A. Task 1: Outreach and Communication**

**Task 1-1: Ongoing Outreach**

**Task 1-2: Policy Committee and Stakeholders Committee Meetings and Coordination**

**Task 1-3: Coordination with other IRWM Regions**

## **B. Task 2: Plans/Alternatives Development**

**Task 2-1: Integrated Flood Management through Invasive Species Control**

- i. Identify Climate Change Vulnerabilities and Strategies

**Task 2-2: Develop a Comprehensive Groundwater Management Program**

- ii. Establish a Groundwater Management Committee
- iii. Collect and Review Data
- iv. Identify Climate Change Vulnerabilities and Strategies
- v. Develop a Prioritization Process
- vi. Development of Alternatives
- vii. Analyze/Rank Alternatives
  - a. Economic Analysis
- viii. Provide Recommendations

**Task 2-3: Groundwater Quality and Beneficial Reuse Alternatives**

- i. Gather and Validate Groundwater Quality Data
- ii. Mapping and Analyzing Septic and Water Quality Data
- iii. Develop a Prioritization Process
- iv. Development of Alternatives for Water Reuse
- v. Analyze/Rank Alternatives
  - a. Economic Analysis
- ii. Provide Recommendations

## **C. Task 3: IRWM Plan Update**

**Task 3-1: Update Governance and Financing**

**Task 3-2: Refine IRWM Plan Goals, Objectives, and Priorities**

**Task 3-3: Prepare a Data Management Plan**

**Task 3-4: Refine IRWM Plan Metrics**

**Task 3-5: Describe IRWM Process relating to Local Land Use Planning**

**Task 3-6: Prepare IRWM Plan per State Guidelines**

**BWD CASH FLOW  
2011-2012**

	D	E	F	G	I	J	K	L	M
4									
5				<b>BUDGET</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>ACTUAL</b>	<b>YTD + PROJ MONTHS&gt;&gt;</b>	<b>PROJECTED</b>
6				<b>FY 2012</b>	<b>JULY</b>	<b>JULY</b>	<b>YTD</b>	<b>PROJECTED</b>	<b>AUGUST</b>
7					<b>2011</b>	<b>2011</b>	<b>2011-2012</b>	<b>2011-2012</b>	<b>2011</b>
8		<b>REVENUE</b>							
9		<b>WATER REVENUE</b>							
10		Residential Water Sales (Assume no water use on Montesorro GC)		424,312	62,350	58,426	62,350	715,958	81,892
11		Commercial Water Sales		98,000	8,410	9,826	8,410	121,804	14,370
12		Irrigation Water Sales		99,000	7,146	12,697	7,146	116,544	10,206
13		GWM Surcharge		94,000	7,843	8,136	7,843	93,551	10,613
14		Water Sales Power Portion		277,000	24,508	23,787	24,508	273,912	30,704
15		Readiness Water Charge		635,000	53,971	54,387	53,971	809,128	67,041
16		Meter Installation		40,000	0	-	-	40,000	5,000
17		Water hook-up charge		0	19,875	19,875	19,875	19,875	0
18		Reconnect Fees		6,500	1,360	680	1,360	8,840	680
19		Backflow Testing/Installation		3,300	0	-	-	1,000	-
20		Bulk Water Sales		1,200	73	100	73	1,173	100
21		Penalty & Interest Water Collection		24,000	2,062	2,000	2,062	24,062	2,000
22		<b>TOTAL WATER REVENUE:</b>		<b>1,702,312</b>	<b>187,597</b>	<b>189,914</b>	<b>187,597</b>	<b>2,225,846</b>	<b>222,606</b>
23			Receivables						
24		<b>PROPERTY ASSESSMENTS/AVAILABILITY CHARGES</b>	as of 9/6/11						
25		641500 1% Property Assessments	3,741	69,080	492	0	492	69,572	0
26		641502 Property Assessments wtr/swr/fld		45,000	147	0	147	45,147	0
27		641502/641503 Property Assess.-delinq-Montesorro	323,459			0	-	236	0
28		641501 Water avail Standby	18,824	82,673	1,398	0	1,398	62,695	0
29		641504 ID 3 Water Standby				0	-	33,760	0
30		641504 ID 3 Water Standby-delinquent La Casa	2,282	33,760	0	0	-	30,320	0
31		641503 Pest standby	9,091	17,953	158	0	158	18,292	0
32		Penalty & Interest-Avail Charges		1,000	0	0	-	1,000	0
33		<b>TOTAL PROPERTY ASSES/AVAIL CHARGES:</b>	<b>357,397</b>	<b>249,466</b>	<b>2,195</b>	<b>0</b>	<b>2,195</b>	<b>261,021</b>	<b>0</b>
34									
35		<b>SEWER SERVICE CHARGES</b>							
36		Town Center Sewer Holder's Fees		180,140	15,012	15,012	15,012	180,144	15,012
37		Sewer user Fees		221,400	18,885	26,102	18,885	306,010	26,102
38		Penalty Interest-Sewer		1,800	0	150	-	1,650	150
39		Sewer Inspection Fees		200	663	663	663	663	0
40		Sewer Capacity Fees		12,138	9,445	9,445	9,445	12,138	0
41		<b>TOTAL SEWER SERVICE CHARGES:</b>		<b>415,678</b>	<b>44,004</b>	<b>51,371</b>	<b>44,004</b>	<b>500,604</b>	<b>41,264</b>
42									
43		<b>PARK/GOLF INCOME</b>							
44		CSD Fees-(golf/trash WEA -2,500)			5,722	5,608	5,722	16,938	5,608
45		CC Golf Income			0	0	-	-	0
46		<b>TOTAL PARK/GOLF INCOME:</b>			<b>5,722</b>	<b>5,608</b>	<b>5,722</b>	<b>16,938</b>	<b>5,608</b>
47									
48		<b>OTHER INCOME</b>							
49		Rent Income-San Diego County		7,715	0	643	-	7,715	1,286
50		Annexation Fees		0	0	0	-	-	0
51		Fire Hydrant Installation		5,000	0	0	-	5,000	0
52		Miscellaneous Income		5,000	0	417	-	4,583	417
53		Administrative Fee-Water Credits		5,000	0	1,000	-	4,000	1,000
54		Gain on Asset Sold		1,500	0	0	-	1,500	0
55		Stag Grant		125,000	0	0	-	120,590	60,590
56		Interest Income		1,550	36	150	36	1,436	100
57		<b>TOTAL OTHER INCOME:</b>		<b>150,765</b>	<b>36</b>	<b>2,210</b>	<b>36</b>	<b>144,824</b>	<b>63,393</b>
58									
59		<b>CASH BASIS ADJUSTMENTS</b>							
60		Decrease (Increase) in Accounts Receivable			(1,560)		(1,560)	(1,560)	
61		Other Cash Basis Adjustments					-	-	
62		<b>TOTAL CASH BASIS ADJUSTMENTS:</b>		<b>0</b>	<b>(1,560)</b>	<b>0</b>	<b>(1,560)</b>	<b>(1,560)</b>	<b>0</b>
63									
64		<b>TOTAL INCOME RECEIVED</b>		<b>2,518,221</b>	<b>237,993</b>	<b>249,103</b>	<b>237,993</b>	<b>3,147,673</b>	<b>332,871</b>
65									

**BWD CASH FLOW  
2011-2012**

	N	O	P	Q	R	S	T	U	V	W	Y	Z
4												
5	PROJECTED		PROJECTED									
6	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	PROJECTED	JULY
7	2011	2011	2011	2011	2012	2012	2012	2012	2012	2012	2012-2013	2012
8												
9												
10	83,669	68,263	63,908	59,287	39,276	19,238	39,382	52,353	61,408	84,933	941,757	93,482
11	16,757	10,611	8,819	9,104	7,459	7,002	8,490	9,988	9,754	11,040	149,388	9,826
12	12,678	13,685	9,529	9,369	4,498	3,102	7,335	11,881	11,556	15,560	147,340	12,697
13	11,347	9,183	8,258	7,730	5,071	2,609	5,506	7,263	8,477	9,651	118,706	8,136
14	32,495	26,841	24,293	22,509	14,690	7,566	16,080	21,311	24,884	28,031	346,629	23,787
15	68,764	69,514	68,747	68,777	68,845	68,472	68,713	68,442	68,627	69,216	983,811	54,387
16	-	5,000	-	5,000	0	5,000	0	10,000	5,000	5,000	40,000	-
17	-	0	-	0	0	0	0	0	0	0	19,875	19,875
18	680	680	680	680	680	680	680	680	680	680	8,160	680
19					1,000						1,000	
20	100	100	100	100	100	100	100	100	100	100	1,304	204
21	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000	2,000
22	<b>228,489</b>	<b>205,876</b>	<b>186,334</b>	<b>184,555</b>	<b>143,619</b>	<b>115,769</b>	<b>148,287</b>	<b>184,018</b>	<b>192,485</b>	<b>226,211</b>	<b>2,781,969</b>	<b>225,074</b>
23												
24												
25	0	0	0	34,540	0	0	0	34,540	0	0	69,080	0
26	0	0	0	20,000	0	0	0	25,000	0	0	158,801	0
27	236	0	0	0	0	0	0	0	0	0	-	0
28	1,297	0	0	30,000	0	0	0	30,000	0	0	82,764	0
29	0	0	0	16,880	0	0	0	16,880	0	0	33,760	0
30	320	0	0	15,000	0	0	0	15,000	0	0	-	0
31	172	0	0	8,981	0	0	0	8,981	0	0	17,963	0
32	0	0	0	500	0	0	0	500	0	0	1,000	0
33	<b>2,024</b>	<b>0</b>	<b>0</b>	<b>125,901</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130,901</b>	<b>0</b>	<b>0</b>	<b>363,367</b>	<b>0</b>
34												
35												
36	15,012	15,012	15,012	15,012	15,012	15,012	15,012	15,012	15,012	15,012	196,407	31,275
37	26,102	26,102	26,102	26,102	26,102	26,102	26,102	26,102	26,102	26,102	377,203	31,434
38	150	150	150	150	150	150	150	150	150	150	1,938	288
39	0	0	0	0	0	0	0	0	0	0	663	663
40	0	0	0	1,012				1,010		671	16,523	9,445
41	<b>41,264</b>	<b>41,264</b>	<b>41,264</b>	<b>42,276</b>	<b>41,264</b>	<b>41,264</b>	<b>41,264</b>	<b>42,274</b>	<b>41,264</b>	<b>41,935</b>	<b>592,733</b>	<b>73,104</b>
42												
43												
44	5,608	0	0	0	0	0	0	0	0	0	-	
45	<b>0</b>	<b>-</b>	<b>0</b>									
46	<b>5,608</b>	<b>0</b>	<b>0</b>									
47												
48												
49	643	643	643	643	643	643	643	643	643	643	8,304	1,232
50	0	0	0	0	0	0	0	0	0	0	-	0
51	0	5,000	0	0	0	0	0	0	0	0	5,000	0
52	417	417	417	417	417	417	417	417	417	413	5,382	799
53	1,000	500	500	500	500	0	0	0	0	0	5,000	1,000
54	0	0	0	0	0	0	0	0	0	1,500	1,500	0
55	0	0	0	60,000	0	0	0	0	0	0	-	0
56	100	200	100	100	200	100	100	200	100	100	1,627	252
57	<b>2,160</b>	<b>6,760</b>	<b>1,660</b>	<b>61,660</b>	<b>1,760</b>	<b>1,160</b>	<b>1,160</b>	<b>1,260</b>	<b>1,160</b>	<b>2,656</b>	<b>25,186</b>	<b>3,031</b>
58												
59												
60												
61												
62	<b>0</b>	<b>0</b>										
63												
64	<b>279,546</b>	<b>253,901</b>	<b>229,259</b>	<b>414,392</b>	<b>186,643</b>	<b>158,193</b>	<b>190,711</b>	<b>358,453</b>	<b>234,910</b>	<b>270,802</b>	<b>3,763,256</b>	<b>301,208</b>
65												

**BWD CASH FLOW  
2011-2012**

D	E	F	G	I	J	K	L	M
4								
5			<b>BUDGET</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>ACTUAL</b>	<b>YTD + PROJ MONTHS&gt;&gt;</b>	<b>PROJECTED</b>
6			<b>FY 2012</b>	<b>JULY</b>	<b>JULY</b>	<b>YTD</b>	<b>PROJECTED</b>	<b>AUGUST</b>
7				<b>2011</b>	<b>2011</b>	<b>2011-2012</b>	<b>2011-2012</b>	<b>2011</b>
66	<b>EXPENSES</b>							
67								
68	<u>MAINTENANCE EXPENSE</u>							
69	R & M Buildings & Equipment		110,000	11,053	9,167	11,053	109,719	7,000
70	R & M Wells/pipelines/Pumps - WWTP		35,000	10,024	2,917	10,024	42,107	2,917
71	Telemetry		20,000	0	0	-	20,000	0
72	Trash Removal		7,500	469	3,125	469	5,969	500
73	Vehicle Expense		17,000	522	1,417	522	16,105	1,417
74	Fuel & Oil		38,000	2,904	3,167	2,904	37,737	3,167
75	<b>TOTAL MAINTENANCE EXPENSE:</b>		<b>227,500</b>	<b>24,972</b>	<b>19,792</b>	<b>24,972</b>	<b>231,637</b>	<b>15,001</b>
76								
77	<u>PROFESSIONAL SERVICES EXPENSE</u>							
78	Accounting		8,000	0	667	-	7,333	667
79	Administrative Services		4,000	314	333	314	3,981	333
80	Audit Fees		26,000	4,100	5,200	4,100	24,900	
81	Computer billing		12,000	5,163	5,000	5,163	21,163	3,500
82	Consulting/Technical		25,000	0	2,083	-	22,917	2,083
83	Engineering		25,000	0	2,083	-	22,917	2,083
84	Legal Services		60,000	0	5,000	-	58,000	8,000
85	Testing/lab work		25,000	5,255	2,083	5,255	28,172	2,083
86	Regulatory Permit Fees		45,000	3,831	2,500	3,831	46,331	600
87	GWM study/Conservation		5,000	554	400	554	5,154	400
88	<b>TOTAL PROFESSIONAL SERVICES EXPENSE:</b>		<b>235,000</b>	<b>19,216</b>	<b>25,350</b>	<b>19,216</b>	<b>240,867</b>	<b>19,749</b>
89								
90	<u>INSURANCE/INTEREST EXPENSE</u>							
91	ACWA Insurance		102,774	31,393	0	31,393	70,521	0
92	Workers Comp		20,000	0	0	-	15,000	0
93	Interest-COP 2008/Well 12 Purchase Agreement		194,875	70,000	70,000	70,000	194,875	0
94	<b>TOTAL INSURANCE/INTEREST EXPENSE:</b>		<b>317,649</b>	<b>101,393</b>	<b>70,000</b>	<b>101,393</b>	<b>280,396</b>	<b>0</b>
95								
96	<u>PERSONNEL EXPENSE</u>							
97	Board Meeting Expense		22,000	780	1,833	780	12,780	0
98	Salaries & Wages (gross)		826,918	78,350	68,910	78,350	836,358	68,910
99	Taxes on Payroll		32,930	1,275	2,744	1,275	19,225	1,177
100	Medical Insurance Benefits		232,733	15,876	19,394	15,876	206,401	18,725
101	Calpers Retirement Benefits		178,000	14,452	14,833	14,452	177,619	14,833
102	Salaries & Wages contra account		(18,000)	(3,919)	(1,500)	(3,919)	(20,419)	(1,500)
103	Conference/Conventions/Training/Seminars		10,500	1,568	875	1,568	12,818	875
104	<b>TOTAL PERSONNEL EXPENSE:</b>		<b>1,285,081</b>	<b>108,382</b>	<b>107,090</b>	<b>108,382</b>	<b>1,244,782</b>	<b>103,020</b>
105								
106	<u>OFFICE EXPENSE</u>							
107	Office Supplies		20,000	2,971	1,667	2,971	19,471	500
108	Office Equipment/ Rental/Maintenance Agreements		32,500	2,606	2,708	2,606	32,394	2,708
109	Postage & Freight		11,000	84	917	84	11,000	2,000
110	Taxes on Property		2,291	0	0	-	2,291	0
111	Telephone/Answering Service		10,700	468	892	468	10,276	892
112	Bad Debt Collection		4,000	189	333	189	3,856	333
113	Dues & Subscriptions		8,000	368	667	368	7,701	667
114	Printing, Publications & Notices		5,000	184	417	184	4,771	417
115	Uniforms		7,000	454	583	454	6,871	583
116	Osha Requirements/Emergency preparedness		7,500	255	625	255	7,130	625
117	<b>TOTAL OFFICE EXPENSE:</b>		<b>107,991</b>	<b>7,579</b>	<b>8,809</b>	<b>7,579</b>	<b>105,761</b>	<b>8,725</b>
118								
119	<u>UTILITIES EXPENSE</u>							
120	Pumping-Electricity		320,000	28,045	26,667	28,045	321,382	26,667
121	Office/Shop Utilities		15,000	1,974	1,250	1,974	15,724	1,250
122	Cellular Phone		10,000	692	833	692	9,859	833
123	<b>TOTAL UTILITIES EXPENSE:</b>		<b>345,000</b>	<b>30,710</b>	<b>28,750</b>	<b>30,710</b>	<b>346,964</b>	<b>28,750</b>
124								
125	<u>CASH BASIS ADJUSTMENTS</u>							
126	Decrease (Increase) in Accounts Payable			(17,281)		(17,281)	(17,281)	
127	Increase (Decrease) in Inventory			1,375		1,375	1,375	
128	Other Cash Basis Adjustments			0		-	-	
129	<b>TOTAL CASH BASIS ADJUSTMENTS:</b>			<b>(15,906)</b>	<b>0</b>	<b>(15,906)</b>	<b>(15,906)</b>	<b>0</b>
130								
131	<b>TOTAL EXPENSES PAID</b>		<b>2,518,221</b>	<b>276,346</b>	<b>259,790</b>	<b>276,346</b>	<b>2,434,502</b>	<b>175,245</b>
132								

**BWD CASH FLOW  
2011-2012**

	N	O	P	Q	R	S	T	U	V	W	Y	Z
4												
5	PROJECTED		PROJECTED									
6	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	PROJECTED	JULY
7	2011	2011	2011	2011	2012	2012	2012	2012	2012	2012	2012-2013	2012
66												
67												
68												
69	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,163	120,245	19,412
70	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,913	39,344	7,261
71	7,000	0	0	6,000	0	0	0	0	7,000	0	20,000	0
72	500	500	500	500	500	500	500	500	500	500	7,500	625
73	1,417	1,417	1,417	1,417	1,417	1,417	1,416	1,416	1,416	1,416	18,385	2,802
74	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,163	41,386	6,553
75	<b>24,168</b>	<b>17,168</b>	<b>17,168</b>	<b>23,168</b>	<b>17,168</b>	<b>17,168</b>	<b>17,167</b>	<b>17,167</b>	<b>24,167</b>	<b>17,155</b>	<b>246,860</b>	<b>36,653</b>
76												
77												
78	667	667	667	667	667	667	666	666	666	666	8,611	1,278
79	333	333	333	333	333	333	334	334	334	334	4,358	691
80	5,200			5,200				5,200		5,200	31,800	11,000
81	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	1,000
82	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,087	26,910	3,993
83	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,087	26,910	3,993
84	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	64,583	9,583
85	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,087	27,786	4,869
86	5,500	8,508	3,985	12,507	3,800	400	1,000	5,000	200	1,000	45,000	2,500
87	400	400	400	400	400	500	400	400	400	500	5,000	400
88	<b>26,849</b>	<b>22,157</b>	<b>17,634</b>	<b>31,356</b>	<b>17,449</b>	<b>14,149</b>	<b>14,649</b>	<b>23,849</b>	<b>13,849</b>	<b>19,961</b>	<b>247,958</b>	<b>38,907</b>
89												
90												
91	0	0	0	0	0	0	10,075	29,053	0	0	70,521	0
92	0	5,000	0	0	5,000	0	0	5,000	0	0	23,750	8,750
93	0	62,438	0	0	0	0	0	62,438	0	0	222,875	98,000
94	<b>0</b>	<b>67,438</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>0</b>	<b>10,075</b>	<b>96,490</b>	<b>0</b>	<b>0</b>	<b>317,146</b>	<b>106,750</b>
95												
96												
97	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	23,811	3,644
98	68,910	68,910	68,910	68,910	68,910	68,910	68,910	68,910	68,910	68,908	803,144	45,136
99	1,000	800	700	600	5,341	3,001	1,380	1,375	1,162	1,414	35,658	5,472
100	18,725	18,725	18,725	18,725	19,000	19,000	19,000	19,000	19,000	1,900	253,158	39,819
101	14,833	14,833	14,833	14,833	14,833	14,833	14,833	14,833	14,833	14,837	194,006	30,839
102	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(18,000)	(1,500)
103	2,500	875	875	875	875	875	875	875	875	875	11,563	1,938
104	<b>105,668</b>	<b>103,843</b>	<b>103,743</b>	<b>103,643</b>	<b>108,659</b>	<b>106,319</b>	<b>104,698</b>	<b>104,693</b>	<b>104,480</b>	<b>87,634</b>	<b>1,303,340</b>	<b>125,348</b>
105												
106												
107	2,000	1,500	2,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	44,280	3,690
108	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	-	-
109	66	2,000	50	2,000	50	100	2,000	50	2,000	600	11,854	1,771
110	0	2,291	0	0	0	0	0	0	0	0	2,291	0
111	892	892	892	892	892	892	892	892	890	890	11,595	1,787
112	333	333	333	333	333	333	334	334	334	334	4,337	670
113	667	667	667	667	667	667	667	667	667	663	8,672	1,339
114	417	417	417	417	417	417	417	417	417	417	5,417	830
115	583	583	583	583	583	583	583	583	583	587	7,611	1,194
116	625	625	625	625	625	625	625	625	625	625	8,115	1,240
117	<b>8,291</b>	<b>12,016</b>	<b>8,275</b>	<b>9,725</b>	<b>7,775</b>	<b>7,825</b>	<b>9,726</b>	<b>7,776</b>	<b>9,724</b>	<b>8,324</b>	<b>96,057</b>	<b>11,281</b>
118												
119												
120	26,667	26,667	26,667	26,667	26,667	26,667	26,667	26,667	26,667	26,667	349,123	55,786
121	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	16,475	2,725
122	833	833	833	833	833	833	833	833	833	837	10,880	1,713
123	<b>28,750</b>	<b>28,754</b>	<b>376,478</b>	<b>60,224</b>								
124												
125												
126												
127												
128												
129	<b>0</b>	<b>0</b>										
130												
131	<b>193,726</b>	<b>251,372</b>	<b>175,570</b>	<b>196,642</b>	<b>184,801</b>	<b>174,211</b>	<b>185,065</b>	<b>278,725</b>	<b>180,970</b>	<b>161,828</b>	<b>2,587,839</b>	<b>379,163</b>
132												

**BWD CASH FLOW  
2011-2012**

D	E	F	G	I	J	K	L	M
4								
5			<b>BUDGET</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>ACTUAL</b>	<b>YTD + PROJ MONTHS&gt;&gt;</b>	<b>PROJECTED</b>
6			<b>FY 2012</b>	<b>JULY</b>	<b>JULY</b>	<b>YTD</b>	<b>PROJECTED</b>	<b>AUGUST</b>
7				<b>2011</b>	<b>2011</b>	<b>2011-2012</b>	<b>2011-2012</b>	<b>2011</b>
133								
134								
135	<b>O&amp;M</b>							
136	<b>NET CASH FLOW (O&amp;M)</b>		<b>0</b>	<b>(38,353)</b>	<b>(10,688)</b>	<b>(38,353)</b>	<b>713,171</b>	<b>157,626</b>
137								
138								
139	<b>NON O &amp; M EXPENSES</b>							
140	USGS Basin study		131,500			-	131,500	
141	GWM Planning Costs (150-47-12=91)		91,000			-	-	
142	Integrated Regional Water Management Plan/Staff time		47,000	1,292		1,292	53,292	5,000
143	BOR S.E. California Regional Basin Study/Staff Time		12,000			-	12,000	
144	STAG Grant/Staff time		40,000	8,409	5,000	8,409	43,409	
145	Viking Ranch Purchase		69,000	6,000		6,000	75,000	
146	GWM/ABD-IRWM Legal Expenses		10,000			-	10,000	5,000
147	Water Credit Policy legal expenses		27,500			-	27,500	1,500
148	Catchment berm WWTP		5,000			-	5,000	
149	ID1-10 150 Hp , rewind motor in year 2, pump & casing cleaning in y		0			-	-	
150	ID4-11 200 Hp, pump & casing cleaning in yr 1 and rewind motor in y		60,000			-	60,000	
151	Rams Hill #1 1980 steel needs inside coating, 1.25mg		150,000			-	150,000	
152	Twin Tanks, 1970's-inside coating		40,000			-	40,000	
153	Pickup		0			-	-	
154	ID4, Reducing Station design and installation		0			-	-	
155	Circle J Drive pipeline (2013)		0			-	-	
156	Montezuma Road pipeline project-final		0	11,900		11,900	11,900	
157	Two water credit refunds-less admin processing fee		10,000			-	10,000	10,000
158	<b>TOTAL NON O&amp;M EXPENSES</b>		<b>693,000</b>	<b>27,601</b>	<b>5,000</b>	<b>27,601</b>	<b>629,601</b>	<b>21,500</b>
159								
160	<b>CASH RECAP</b>							
161	Cash beginning of month		779,356	779,356	779,356	779,356	779,356	709,056
162	Net Cash Flow (O&M)		0	(38,353)	(10,688)	(38,353)	713,171	157,626
163	Total Non O&M Expenses		(693,000)	(27,601)	(5,000)	(27,601)	(629,601)	(21,500)
164	Transfer To/From Reserves		0	0				
165	<b>CASH AT END OF PERIOD</b>		<b>86,356</b>	<b>713,402</b>	<b>763,668</b>	<b>713,402</b>	<b>862,926</b>	<b>845,182</b>
166								
167	Actual cash at end of month			709,056	709,056	709,056		
168	Difference			4,346	54,612	4,346		
169								
170	<b>RESERVES</b>							
171	Working Capital		629,555					
172	Contingency (3%)		75,546					
173	Asset replacement		114,791					
174	Emergency		2,500,000					
175	<b>TOTAL RESERVES</b>		<b>3,319,892</b>					
176								
177								
178	<b>SIGNIFICANT ITEMS</b>		<b>ACTUAL</b>	<b>PROJECTED</b>	<b>DIFFERENCE</b>			
179	Sewer user fees		18,885	26,102	(7,217)	Projected rate increase one month early		
180	ACWA Insurance		(31,393)	0	(31,393)	Timing difference - paid one month early		
181	Non O&M Expenses		(27,601)	(5,000)	(22,601)	Non budgeted and or projected items (see above)		
182	Cash basis adjustments		14,346	0	14,346	Adjustment to cash basis - mostly increase in unpaid expenses (accounts payable).		
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**BWD CASH FLOW  
2011-2012**

	N	O	P	Q	R	S	T	U	V	W	Y	Z
4												
5	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED		PROJECTED
6	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	PROJECTED	JULY
7	2011	2011	2011	2011	2012	2012	2012	2012	2012	2012	2012-2013	2012
133												
134												
135												
136	<b>85,820</b>	<b>2,529</b>	<b>53,689</b>	<b>217,750</b>	<b>1,842</b>	<b>(16,018)</b>	<b>5,646</b>	<b>79,728</b>	<b>53,940</b>	<b>108,974</b>	<b>1,175,417</b>	<b>(77,955)</b>
137												
138												
139												
140	65,750				65,750							-
141												-
142			47,000									-
143		12,000										-
144	5,000	30,000										-
145	69,000										57,000	
146		5,000										-
147	4,000	4,000	5,000	3,000	5,000	2,000	3,000					-
148					5,000							-
149											10,000	10,000
150				60,000							15,000	15,000
151		50,000	50,000		50,000							-
152							40,000					-
153											20,000	20,000
154											25,000	
155											108,000	58,000
156												-
157												-
158	<b>143,750</b>	<b>101,000</b>	<b>102,000</b>	<b>63,000</b>	<b>125,750</b>	<b>2,000</b>	<b>43,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>235,000</b>	<b>103,000</b>
159												
160												
161	845,182	787,252	688,781	640,469	795,220	671,311	653,293	615,939	695,667	749,606	858,580	858,580
162	85,820	2,529	53,689	217,750	1,842	(16,018)	5,646	79,728	53,940	108,974	1,175,417	(77,955)
163	(143,750)	(101,000)	(102,000)	(63,000)	(125,750)	(2,000)	(43,000)	0	0	0	(235,000)	(103,000)
164												
165	<b>787,252</b>	<b>688,781</b>	<b>640,469</b>	<b>795,220</b>	<b>671,311</b>	<b>653,293</b>	<b>615,939</b>	<b>695,667</b>	<b>749,606</b>	<b>858,580</b>	<b>1,798,998</b>	<b>677,626</b>
166												
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NON O&M EXPENSES FOR FY 2012	BOARD-	BOARD-		BOARD-	
	APPROVED	APPROVED	APPROVED	APPROVED	APPROVED
	FY 2012	FY 2010	FY 2012	FY 2012	FY 2012
BUDGET	EXPENSES	RATE	CASH FLOW	MODEL	MODEL
	YTD	MODEL	MODEL		
GWM/IRWM Planning	150,000	47,462	150,000	138,000	
Short-Lived Assets					
Replacement Program - Water	285,000		259,000	260,000	
Replacement Program - Wastewater	5,000		6,000	5,000	
Other - Fire Hydrants	12,000				
Total CIP & Short-Lived Assets	452,000	47,462	415,000	403,000	
Reclamation SE CA Regional Basin Study	0	12,000	0	12,000	
USGS MODFLOW Model Development	0	131,500	0	131,500	
STAG Grant Expenses (unreimbursed in Current FY)	0	0	0	40,000	
Total Studies	0	143,500	0	183,500	
Water Credit Related					
Viking Ranch	69,000	69,000	0	69,000	
Legal Expenses related to Water Credits	0	0	0	37,500	
Total Water Credit Related	69,000	69,000	0	106,500	
Total Non CIP Expenses for FY 2012	521,000	259,962	415,000	693,000	

FY 2012 GMP IMPLEMENTATION PLANNING COSTS FOR ESTABLISHING A MANAGED BASIN

FY 2012 GWM & ABD-IRWM COSTS

<b>Planning Element</b>	<b>Estimate #1</b>	<b>Estimate #2</b>
Develop a funding mechanism for GWM and ABD-IRWM plan implementation.	\$30,000	\$30,000
Rewrite of ABD-IRWM planning grants proposal to DWR for round 2 funding	\$26,000	\$50,000
Revising and updating 2002 GMP as part of ABD-IRWM planning process so as to become eligible for DWR implementation grant money.	\$32,000	inc. in above line item
ABD-IRWM and GWM stakeholder planning process & meeting expenses for FY 2012 (assumes April/May DWR grants decision)	\$16,000	\$21,000
Rewrite the Water Credits policy to (a) be compatible w/ the County's groundwater mitigation requirements; and (b) address the need for developer's impact fees	\$14,000	\$12,000
Hydrological forecasting when tertiary treatment may be required due to overdraft of upper aquifer	\$12,500	\$10,000
USGS draft report review and input coordination effort	\$2,500	\$1,000
Reclamation study technical advisory assistance	\$12,000	\$20,000
GIS Hosting expenses for USGS study & ABD-IRWMP	\$5,000	\$6,000
<b>TOTAL FY 2012 GMP CAPITAL ACTIVITIES</b>	<b>\$150,000</b>	<b>\$150,000</b>

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To: BWD Board & Jerry Rolwing, GM  
 From: Lyle Brecht  
 Date: September 20, 2011  
 Subject: FY 2013 Rate Model

The following issues emerge from an analysis of the the District's projected cash flow for FY 2012 and review of the present rate model's assumptions for FY 2013:

- ☉ The District may struggle to maintain its present available beginning cash during the remainder of FY 2012 and if it is not careful, could potentially end-up w/ a cash crunch by the end of FY 2012 similar to its situation at the end of FY 2011;
- ☉ From a cash flow perspective, given its present cost structure and CIP needs and even with maintaining the drastically paired down O&M and CIP budget from FY 2011, the District may need the full Proposition 218 approved rate increase of thirty percent (30%) for FY 2013;
- ☉ Even with another 30% rate increase in FY 2013, it is unlikely that the District's cash flow can support the implementation phase of a GWM or ABD-IRWM plan. Asking the ratepayers to pay 100% of a GWM implementation plan is also probably unfair, given that residential ratepayers are responsible for only 10% of annual water withdrawals from the basin;
- ☉ Even with another 30% rate increase in FY 2013, the District will probably not produce the necessary cash flow for continuing to fund its projected future CIP needs under a revenues-based pay-go program. The District will most likely need to develop its debt capacity by continuing to rapidly build reserves and to seek outside financing sources (i.e. take on additional debt). Neglecting timely CIP investments is contraindicated in that this would likely only increase pressure for even higher future rate increases than presently anticipated.

The purpose of this memorandum is to discuss potential analytical inputs to the rate model that may be helpful to reduce the pressure on the District's cash flow for this and future fiscal years and its apparent need for the full 30% rate increase in FY 2013.

*Revenues.* Recommendations: (1) Potential Montesoro revenues should continue to be excluded from the FY revenues forecast; (2) Evaluate decreasing projected revenues for FY 2013 by some percentage amount to account of the cumulative effect of conservation due to higher rates.

*Operating Expenses:*

*Personnel.* Presently, personnel expenses account for about 50% of the annual operating budget. A question is if this cost structure can be modified to reduce the overall annual operating expenses of the District without adding costs. The 2011 Brady Staffing Report does not answer the question of what specific measures, if any, the District could implement to contain its personnel costs. Recommendation: (3) evaluate whether a professional staffing and compensation study for the District would be helpful. {See Exhibit A: Koff & Associates letter}

*AMR Analysis.* A question is whether an automated meter reading (AMR) program would be an economically advantageous project for the District. The analysis that provides the basis for such a large capital decision is a simple return on invested capital (ROIC). To date, this analysis has not yet been developed. Recommendation: (4) Request such an analysis from the District's preferred AMR vendor. Review with the District's financial advisor or accountants.

*Capital Costs.*

*CIP.* Recommendation: (5) Explore funding annual CIP needs with new debt as an alternative to a revenue-based pay-go system to reduce the pressure on rates for FY 2013.

*Implementing a Groundwater Management Plan.* Recommendation: (6) Consider developing a broad-based funding mechanism to implement a GWM plan so that ratepayers are not asked to pay the entire costs for GWM. {See Exhibit B: GWM Brief-2011}

*Developer Impact Fees.* Recommendation: (7) Investigate whether developer impact fees would address the present situation where existing ratepayers appear to be subsidizing developers for new connections. {See Exhibit C: BWD's present developer's policy; Exhibit D: Developer's Fees & Exactions Brief; Exhibit E: Brian Brady Water Credits Policy}

*Amortization of Viking Ranch Purchase Costs.* Recommendation: (8) Consider adding a budget line item in FY 2013 for the amortization of future Viking Ranch purchase payments.

*Reserve Requirements.* Recommendation: (9) Consider developing a written report to the Board that documents insurance coverage, time to insurance availability, available federal and state emergency funds availability, eligibility requirements, speed at which funds can be accessed, and estimated available cash reserves in the event of a disruption in water supply.

*Timing of Model Inputs.* Recommendation: (10) For a town hall meeting in early March 2012.



KOFF & ASSOCIATES, INC.  
Human Resource Consulting Since 1984

May 20, 2011

Mr. Lyle Brecht  
Vice President, Board of Directors  
Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, CA 92004-3101

Dear Mr. Brecht:

Thank you for the opportunity to present our qualifications. We are most interested in assisting you with the total compensation and employee staffing study of the Borrego Water District.

Koff & Associates, Inc. is an experienced public-sector consulting firm that has been conducting similar studies for special districts (water, wastewater, community service, parks and recreation, air quality, hospital, housing, transportation, fire, higher education, vector management, school (k-12), solid waste, and other districts), cities, counties, and courts for over 27 years. We have achieved a reputation for working successfully with management, employees and union representatives. We believe in a high level of dialogue and input from employees and management and our proposal speaks to that level of effort. That extra effort has resulted in close to *100% implementation* of all of our studies

Koff & Associates, Inc. is a small firm that accepts only as much work as our staff can handle. This assures a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistent high-caliber work product. We encourage you to contact our references.

As Chief Executive Officer of the firm, I would assume the role of Project Director and be responsible for the successful completion of this project. I can be reached at the Emeryville address and phone number listed below. My e-mail address is: [gkrammer@koffassociates.com](mailto:gkrammer@koffassociates.com).

Please call if you have any questions or wish additional information. We look forward to the opportunity of working with you on providing professional assistance to the Borrego Water District.

Sincerely,

A handwritten signature in cursive script that reads "Georg S. Krammer".

Georg S. Krammer  
Chief Executive Officer

## B R I E F R E G A R D I N G G R O U N D W A T E R M A N A G E M E N T

*Primary Sources:* Conversations with the following California water law attorneys: Jan Driscoll, Allen Matkins; Jill Willis, Best Best & Krieger; Tom Bunn, Lagerlof Senecal Gosney & Kruse; Joseph L. Sax, Berkeley Law School, University of California; Stuart Somach, Somach Simmons & Dunn; David Aladjem, Downey Brand and the following engineers and general managers who have participated in implementing GWM programs in California: Mark Wildermuth, Wildermuth Environmental; Brian Brady, Brady Associates; Doug Dove, Bartle Wells Associates; Mark Williamson, GEI Consultants, Inc., Bookman-Edmonston Division; Andy Schlange, former GM of Chino Basin Municipal Water District, The Santa Ana Watershed Project Authority and the Eastern Municipal Water District. Many secondary sources. What follows is a synthesis of what I have learned - from an economic and business perspective:

- ☞ Groundwater management (GWM) is not just a local issue. GWM is an important issue statewide, national, regional (among neighboring nations), and worldwide. GWM is a tractable problem that can be and is being regularly successfully addressed elsewhere;
- ☞ The protection of groundwater is not just about overdraft, it is also about groundwater quality. Groundwater is sometimes economically impaired due to pollution and misuse;
- ☞ The management of groundwater (GWM) is a classic tragedy of the commons. Because the resource is sometimes mistakenly viewed as “free,” it is often not adequately managed and the result may be economic loss for all users of the resource;
- ☞ Historical data does not support the proposition that “market forces will correct a groundwater overdraft situation before it is too late” (i.e. before material or unrecoverable damage to the natural physical and economic asset occurs). To the contrary, the preponderance of evidence indicates that absent regulation, an uneconomic depletion of the natural groundwater asset is almost certain to occur;<sup>1</sup>
- ☞ In California, the first thing to be aware is that whoever pumps groundwater from the basin doesn’t own the water.<sup>2</sup> The people of California own the water.
- ☞ The State, as an agent of the people, grants the right of overlying pumpers to pump as much water as they need for reasonable and beneficial use - until the basin is in overdraft.<sup>3</sup>
- ☞ Once the basin is in overdraft, overlying pumpers still have the right to withdraw water.<sup>4</sup> But, once a basin is in overdraft and this fact is established, pumpers no longer have a right to withdraw *any* amount of water.

## B R I E F R E G A R D I N G G R O U N D W A T E R M A N A G E M E N T

- ☉ Once it is established that an overdraft exists, each pumper's right to withdraw water from the basin needs to be conditioned so as to not abridge other pumpers' rights.<sup>5</sup> These extraction rights must be established under California water law when there is an overdraft.<sup>6</sup>
- ☉ Once the basin is in overdraft, water rights are often established based on the safe yield of the basin.<sup>7</sup> California law is clear that extractions beyond safe yield of the groundwater basin constitutes a trespass against the rights of other overlying groundwater users and, if the prescriptive period of five years has passed, arguably against appropriative users of groundwater like the District.<sup>8</sup>
- ☉ Typically when there is an overdraft, these water rights are established through either a regulatory or court-mediated process on either an individual or pooled basis that determines how much water all pumpers may withdraw from the basin. In a managed groundwater basin, pumping in excess of safe yield must be mitigated by either reducing pumping in a subsequent year (in-lieu of recharge) or by the recharge of supplemental water.<sup>9</sup>
- ☉ There are five primary mechanisms that exist within California water law to manage groundwater: (1) special districts that have the authority and power granted to them to regulate withdrawals; (2) special act legislation that grants groundwater management powers; (3) the Groundwater Management Act (AB 3030); (4) negotiated agreements among pumpers that are then stipulated by the courts; and (5) an adjudication of the basin.<sup>10</sup>
- ☉ Establishing water rights is done in some managed groundwater basins by the Watermaster assessing over pumpers a fee to purchase and recharge supplemental water. In some managed basins, rights are pooled such as the Chino Basin where overlying rights are not established for individual overlying parties. When the aggregate pumping by overlyers exceeds the pooled water rights, the Watermaster will assess all members of the pool.<sup>11</sup>
- ☉ *Determining who has a right to pump what amount of water from a basin in overdraft is only a means to establish and enforce a plan to resolve an overdraft. This plan defines a managed basin from an unmanaged basin.*
- ☉ *Destroying a community is not the purpose or result of establishing a managed basin. Continuing to overdraft the groundwater basin will accomplish that result.<sup>12</sup>*

## B R I E F R E G A R D I N G G R O U N D W A T E R M A N A G E M E N T

- ☉ It is highly likely that any water banking or importation project would first require that the Borrego Valley Groundwater Basin become a *managed basin* as a condition for financing and project approval.
- ☉ Sometimes the means to establish rights and obligations among the parties involved in a small basin such as ours is through a court-approved negotiated settlement among water pumpers themselves, called a *stipulated agreement*. What the courts do is *stipulate* that the negotiated agreement arrived at by the pumpers in the Valley is the plan they intend to pursue to resolve the overdraft. This process does not have to be expensive, nor lengthy.
- ☉ In this process of arriving at a *stipulated agreement* among pumpers, the Court approves and orders the parties to proceed with the plan they have mutually agreed to pursuant to the stipulated agreement. Typically, such agreements provide for Court oversight and enable the Court to modify some or all parts of the stipulated agreement. The process of defining and selecting a Watermaster is negotiated into the stipulated agreement. Once in place, the stipulated agreement controls the Watermaster process and composition. The Watermaster then administers the stipulated agreement.
- ☉ Adam Link's, Somach Simmons & Dunn, brief regarding Los Angeles Superior Court's recent decision in *City of Cerritos, et al. v. Water Replenishment District of Southern California* indicates that for the District to impose a water extraction fee (i.e. a fee or assessment based on the amount of water that a public or private entity pumps from a groundwater basin) requires a Proposition 218 process. The proportionality requirement of Article XIII D, section 6(b)(3) of the California Constitution (otherwise known as Proposition 218) requires that the District demonstrate that such a fee is needed, is accurately calculated, fairly apportioned, and is spent for its intended purposes.
- ☉ To date, the District has commissioned two legal briefs regarding water extraction fees from Stradling Yocca Carlson & Rauth: Fritz R. Stradling (June 15, 2004) and Joseph M. Adams (April 22, 2008) [Allison Burns (April 22, 2008)]. Stradling asserts that the District has authority to impose a "water extraction fee" but presently may not have a practical means to collect such a fee. Fritz Stradling summarizes the situation as of 2004:

The real concern that the District will face if it adopts a water extraction fee is how it will collect the fee.... Although [Stradling Yocca is] of the opinion that the District can levy a water extraction fee pursuant to [a] Groundwater Management Plan [GMP], the District

## B R I E F R E G A R D I N G G R O U N D W A T E R M A N A G E M E N T

should consider legislation that would clearly give it authority to levy a water extraction fee for general groundwater management purposes and to provide a method of collecting that fee from pumpers. A method to provide for collection of the fee would be to give the District the authority to place on the assessment roll the delinquent fees not paid the previous fiscal year with the further right to foreclose on the property for failure to pay all items on the assessment roll, such as may be done for unpaid water service and other services, or either, which are unpaid as provided in Section 36726 of the Water Code.<sup>13</sup>

- ☞ Since the District's "AB3030 planning was completed some years ago, legal developments have clarified the rights and obligations of agencies acting as water replenishment districts to levy pumping fees and charges" (ref Greg Moser, Procopio 2/11/2011).

### ENDNOTES:

<sup>1</sup> The primary economic cost driver for the district is currently the overdraft situation of the basin. The district must come up with a plan that addresses the overdraft, include the cost of this plan in its capital budget, and sell the plan to the community. Without a workable plan to address the overdraft that can be funded and implemented, property values in the Valley will plummet. A workable plan that has funding can increase property values quickly. The economic analysis for any plan and the alternatives must be done. The ratepayers must not be asked to pay the entire cost of any plan to address the overdraft (ref. Glenn Reiter, President of Glenn M. Reiter & Associates. See <http://www.gmrfinance.com/>).

<sup>2</sup> *Groundwater*: water beneath the surface of the ground below the water table in which soil is saturated with water. *Groundwater Basin*: an area underlain by one or more permeable formations capable of furnishing water supply. See "California's Groundwater: Bulletin 118 - Update 2003."

<sup>3</sup> *Overdraft*: a condition wherein the total annual production from a groundwater basin exceeds the safe yield thereof. In the long run, rates of ground water extraction cannot exceed rates of recharge.

<sup>4</sup> *Overlying Parties*: owners of land that overlies the groundwater basin and who have exercised overlying water rights to pump wherefrom.

<sup>5</sup> What each pumper is doing in the overdraft of the basin is illegal under existing CA state law as it abridges the rights of all other pumpers. However, the state regulatory apparatus sometimes refuses to enforce its own laws. The remedy is to use a process to determine water rights or to just import water for the district's use and let the basin become dewatered. However, it is highly unlikely that a prudent strategy for the District would be to rely on the importation of an over allotment of Colorado River water to recharge the basin. It is unlikely this would be a dependable source of water in the future. Everyone using water from the basin must be required to share in the cost of maintaining the basin. This is not something the District's ratepayers can do on their own. A process to determine water rights addresses this requirement for equal cost-sharing among all users (ref. Professor Joseph Sax, Berkeley Law, University of California. See <http://www.law.berkeley.edu/php-programs/faculty/facultyProfile.php?facID=141>).

<sup>6</sup> Could over-extraction lead to an award of damages? Typically, the relief sought is not damages (because usually there is mutual prescription and so your interference with me is offset by my interference with you) but rather an allocation of relative rights to extract groundwater. So while it might be possible, it would be rare (ref. David Aladjem, Downey Brand).

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<sup>7</sup> *Safe Yield*: the maximum quantity of water that can be produced annually from a groundwater basin under a given set of conditions without causing a gradual lowering of the groundwater level leading eventually to depletion of supply.

<sup>8</sup> Would the District receive its fair share of the safe yield in the event of an adjudication? The District may be able to establish a prescriptive right, because it has pumped continuously during a five-year period of overdraft (ref. David Aladjem, Downey Brand. See <http://www.downeybrand.com/attorneys/profiles/aladjem.php>).

<sup>9</sup> See William Blomquist, *Dividing the Waters: Governing Groundwater in Southern California* (San Francisco: Center for Self Governance, 1992).

<sup>10</sup> More generally, groundwater adjudications seek to bring the basin extractions into something approximating the safe yield of the basin, either by agreeing to an across-the-board reduction of extractions or by some type of trading system where each pumper has an allocation and all or a portion of the annual allocation can be traded with others in the basin (ref. David Aladjem, Downey Brand).

<sup>11</sup> Blomquist, 271-297.

<sup>12</sup> The economic costs to the community typically require addressing a significant annual overdraft in a timely fashion. These first order economic costs may include: (a) dramatically increased pumping costs; (b) increased water treatment costs as water quality declines; (c) costs of subsidence as building and roads on the surface are damaged; and (d) loss of aquifer recharge capacity as compaction of the aquifer's pore space occurs. See "Economics of Sustainable Groundwater Supply" at <http://www.scribd.com/doc/33763270/Economics-of-Sustainable-Water-Supply>.

<sup>13</sup> Curiously, the Legislature has created an automatic lien for unpaid "groundwater extraction charge[s]" imposed by other, seemingly similar agencies, and has also authorized those agencies to collect such charges on the property tax rolls. (See Sierra **Valley** and Long **Valley** Groundwater Basins Act (Stats. 1983, ch. 1109, § 808, p. 4195, 72B West's Ann. Wat.-Appen. (1995 ed.) ch. 119, § 119-808, pp. 514-515); Honey Lake **Valley** Groundwater Basin Act (Stats. 1989, ch. 1392, § 807, p. 6030, West's Ann. Wat.-Appen. (1995 ed.) ch. 129, § 129-807, p. 841); Willow Creek **Valley** Groundwater Basin Act (Stats. 1993, ch. 1181, § 807, pp. 6764-6765, West's Ann. Wat.-Appen. (1995 ed.) ch. 135, § 135-807, p. 986; Surprise **Valley** Groundwater Basin Act (Stats. 1995, ch. 698, § 808, p. 5297, West's Ann. Wat.-Appen. (2007 supp.) ch. 137, § 137-808, p. 65.) The Agency is not alone, however, in being denied such collection powers. (See Fox Canyon Groundwater Management Agency Act, Stats. 1982, ch. 1023, §§ 1001-1008, pp. 3743-3744, West's Ann. Wat.-Appen. (1995 ed.) ch. 121, §§ 121-1001 et seq., pp. 594 et seq.; Mono County Tri-**Valley** Groundwater Management District Act (Stats. 1989, ch. 844, § 903, p. 2781, West's Ann. Wat.-Appen. (1995 ed.) ch. 128, § 128-903, p. 818); Ojai Basin Groundwater Management Agency Act (Stats. 1991, ch. 750, § 1105, p. 3353, West's Ann. Wat.-Appen. (1995 ed.) ch. 131, § 131-1105, p. 887.) It might be argued that this difference in treatment implies a Legislative intent *not* to make the particular charge before us an incident of property ownership. The point has not been addressed by the parties, however, and in the absence of a more concrete demonstration of legislative purpose, it appears too insubstantial to justify a divergence from the mandate of *Bighorn*. See 59 Cal.Rptr.3d 484, Court of Appeal, Sixth District, California. **PAJARO VALLEY WATER MGMT. AGENCY**, Plaintiff and Respondent, Ray AMRHEIN et al., Defendants and Appellants. No. H027817. May 21, 2007. Rehearing Denied June 14, 2007. Review Denied Sept. 12, 2007 (ref. Lisa Foster, McDougal Love Eckis Boehmer & Foley).

BORREGO WATER DISTRICT

POLICY NO. 90-2

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SUBJECT: FACILITY REQUIREMENTS FOR DEVELOPERS OF REAL PROPERTY WITHIN THE  
BORREGO WATER DISTRICT

NO.: 90-2

ADOPTED: October 17, 1990

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POLICY: In addition to required conformance with all District rules and regulations, the following will be required of developers of real property within the Borrego Water District:

1. Will serve letter will be issued in accordance with Policy Statement 85-1 or amendments thereto:
2. Water facilities shall be provided by the developers using the following minimum design standards:
  - A. Offsite facilities
    - (1) System production capacity shall be at least 2 gallon/minute/EDU, plus any extraordinary irrigation demand with a minimum of at least two sources.
    - (2) Storage capacity shall be provided in the amount of 1000 gallons per EDU plus required fire flows or as called for in the California Health and Safety Code, Title 22, whichever is greater.
    - (3) Transmission mains shall be provided based on American Water Works Association standards for the class and conditions of service as approved by the District Engineer.
    - (4) The facilities described above must be available prior to filing of the final map or the installation thereof secured by a separate agreement with the District.
    - (5) The District may at its option accept the sum of \$1,500 per EDU from any developer or applicant as its share of the cost of offsite production and storage facilities.

B. Onsite facilities

- (1) All water mains, fire hydrants, service outlets, appurtances and controls shall be provided by the developer based on plans prepared by the developer's engineer and approved by the District Engineer.
- (2) Water meter applications will be accepted when the offsite and onsite facilities are completed and accepted by the District. The meter and meter installation charge is in addition to the offsite facilities fee described in paragraph A-5 above.

3. Sewer facilities shall be provided by the developer using the following minimum design standards:

A. Offsite facilities

- (1) Trunk sewers shall be designed for a specified service area on the basis of 250 gpd per EDU.
- (2) Treatment Plant capacity shall be provided for on the basis of 250 gpd per EDU.
- (3) Sewer service in Borrego Water District is available within Improvement Districts 1 and 2. Developments outside ID's 1 and 2 must apply for latent power authority in accordance with the rules of the Local Agency Formation Commission.

B. Onsite facilities

- (1) All trunk and lateral sewer pipelines and appurtances shall be provided by the developer based on plans prepared by the developer's engineer and approved by the District Engineer.
- (2) Sewer service applications will be accepted when the offsite and onsite facilities are completed and accepted by the District and all established fees have been paid.

C. Septic Tanks

- (1) Reference District Policy 84-2.

## DEVELOPER'S IMPACT FEES & EXACTIONS

Underlying Economic Policy Assumptions: It is the desire of the BWD Board and management to hold water and sewer rates as low as possible, while maintaining the systems to meet the needs of our customers, and their needs for the future, and in compliance with all of the requirements of the environmental regulatory agencies. There are often discussions about responsibility for costs when a developer seeks to add an area of water and sewer service to a new development. These days, water utilities often require the development to pay its own way, desiring not to subsidize growth. This is only fair to existing customers. Thus, it is reasonable for BWD to encourage responsible growth not only by requiring new developments to install water and sewer connector lines at the developer's expense, but in addition to consider the assessment of developer impact fees (developer's charges) for each new connection to pay for any improvements required to the existing BWD system and the use of existing system capacity.

Background: Presently, BWD does not have a comprehensive developer's policy nor does it charge developer's impact fees. Water credits in some instances serve as a proxy to developer's charges. However, they do not fulfill the economic policy of unburdening existing ratepayers from the cost of development's requirements for adding new connections to the existing BWD system. Also, in some cases they may be more expensive to a developer than the imposition of developer's impact fees.

### Definitions:

Developer's Impact Fees and Exactions (Developer's Charges). These are payments made by a *developer* to BWD for the right to receive water and/or sewer service from BWD. Such charges are presently standard practice in California for many water districts.

Development. Any residential or commercial development that increases the demand on the District's water supply and/or distribution system and/or its sewer collection and treatment system whether by increasing the intensity of use or by altering the use of land.

Developer. Any individual or firm (e.g. developers, contractors, and/or owners) applying to obtain water and sewer service from the Borrego Water District to serve a development.

System Development Charges (Developer Impact Fees for Infrastructure). One-time charges assessed against new water and sewer customers to recover a proportional share of the capital costs incurred to provide service capacity to the new utility customers. The fees collected become legally restricted reserves to fund water and sewer system improvement costs reasonably related to new development.

# Water Credits Policy

## Policy Review Objective

In April 2011, the BWD Board asked me to review its water credits policy and various transactions involving capital provided by the District's ratepayers amounting to about \$2,500,000, including approximately \$1,000,000 for all expenses related to the Monica water credits transaction and approximately \$1,500,000 in principal for the Viking Ranch water credits transaction, excluding legal costs, interest, and other considerations for this transaction.

In closed session, I provided a brief outline in PowerPoint of my findings, specifically as a potential aid to the then ongoing renegotiations of the Viking water credits transaction that the Board was then engaged. I was asked to follow-up with a written report of my findings once these negotiations were complete. What follows is my written report.

## Materials

At the end of this report is a list of the documents I reviewed for this policy analysis.

## Findings

1. The BWD water credits policy, as presently constituted, does not offer a viable answer to the problem of overdraft of the Borrego Valley Groundwater Basin. There are three primary reasons that the water credits program cannot presently be considered a solution to the overdraft:
  - **Scale.** In order for the water credits program to be considered a viable solution to the overdraft, approximately 4 water credits would need to be retired for each water credit utilized or applied to new residential development. Such retiring of water credits would need to occur over virtually the entire approximately 3,000 acres of citrus cultivation. The cost of such an undertaking could approach \$40,000,000 at the present cost of creating water credits;
  - **Timeliness.** New development in the Borrego Valley would be required to reach a build out density approaching that of Palm Desert within a 20 to 30-year timeframe in order for water credits to make an appreciable dent in providing for sustainable annual withdrawals before the upper aquifer is completely dewatered. This estimate assumes the USGS assessment of a 50-year timeframe for the complete dewatering of the upper aquifer is approximately accurate;

- **Economic model.** The current market and pricing of water credits assumes that the purchase of such a credit entitles the owner to a quasi-water right, as though the Borrego Valley Groundwater Basin was managed. There exists no physical or legal basis for that assumption.
2. At best, the water credits policy, as presently constituted, may slow down the dewatering of the upper aquifer somewhat. However claims that the water credits program produced or will produce a specific amount of conservation are illusory. Given that the basin is not a managed basin, the conservation or fallowing that occurs on one parcel cannot guarantee that this amount of saved water will have any effect on lowering the total annual withdrawals basin-wide over time;
  3. The high cost of creating water credits, under the policy of using ratepayer provided funds or using developer provided funds to achieve uncertain results in improving the overdraft condition, brings squarely into question whether developing water credits is a prudent use of capital. Whereas the District has or will have spent almost \$2,500,000 to create water credits on two small parcels, the contribution to improving the overdraft situation may be de minimus. The Beaumont Basin, for example, spent approximately \$700,000 in capital to establish a managed basin that affected withdrawals across an entire basin for 5 appropriators and about 20 large overlyers. In other words, for less than a third of the capital that BWD spent to address withdrawals on two small parcels in its basin, the Beaumont Basin addressed withdrawals in their entire basin, a basin that is more complex than the Borrego Valley Groundwater Basin;
  4. The present method of funding the creation of water credits either using ratepayer-provided capital or developer-provided capital could be considered economically unfair and a hidden incentive to maintain citrus cultivation in the Valley longer that would otherwise be economically viable. The rationale behind this situation is that the District is asking parties who benefit only marginally to finance the continued overdraft of the basin by parties who will receive the majority of benefits for extending the longevity of the upper aquifer. That is, residential water users who use about 10% of annual withdrawals, via the present water credit policy, are being asked to pay for and thus subsidize the longevity of the upper aquifer for agricultural and recreational pumpers who consume 90% of annual withdrawals and would thus receive 90% of the benefits of any such extension of the use of the upper aquifer;
  5. The water credits policy, as presently constituted, also carries a negative economic cost to the District's finances. Instead of assessing developer impact fees to provide for the future infrastructure needs occasioned by growth, something that many of the water districts in California and nationally presently require, the District requires merely that new development submit two water credits for a new connection to the District's system. The problem with this approach to growth in the District is threefold:

- **Funds are not set aside for future infrastructure needs.** Water credits can be purchased from parties other than the District whereby the District receives no cash to be set aside for future growth-induced infrastructure needs;
  - **Growth does not pay for itself.** Even if water credits are purchased directly from the District, this produces no net increase in cash for future infrastructure. In substance, the District is requiring present ratepayers to subsidize the infrastructure needs for new development under its present water credits policy;
  - **It may be economically unfair for development of existing parcels.** Since the cost of water credits fluctuates with market forces, large developers of new and existing subdivisions may be able to purchase water credits in bulk at low per parcel costs whereas single family homeowners who need just one or two credits may pay larger costs for the water credits required under present District policy. In other words, under present policy, the District may be establishing an economic disincentive to new home construction on parcels in existing subdivisions;
6. It is unclear under existing policy whether the District has both the legal mechanisms and the ongoing management oversight to enforce conservation for water credits granted for turf reduction and other non-AG-1 granted water credits. AG-1 water credits are fairly straightforward and relatively easy to manage over time. Also, the required District easement for AG-1 credits provides a ready legal mechanism for enforcement of conservation. This may not be the case for non-AG-1 credits.
7. San Diego County's acceptance of AG-1 water credits to meet the County's groundwater mitigation requirement is a positive development. The District's requirements and County's mitigation policy and use of AG-1 water credits should be coordinated and make economic sense for the District, its ratepayers and developers.

## Recommendations

1. Establish a developer's impact fee policy and justifiable fee structure;
2. Revise the water credits policy to work with such developer's policy. The District's water credits policy should not be viewed as a substitute to a coherent developer's impact policy and fee structure;
3. Work towards policies and activities that will lead to establishing a managed basin. The District's water credit policy cannot be viewed as a substitute for establishing a managed basin.

## References

1. Borrego Water District, Groundwater Management Plan, September 2002
2. Borrego Water District, Groundwater Management Plan Update, 2006
3. Borrego Water District, Water Credit and Mitigation Policy, September 2009
4. Prior, Gary, DPLU Policy Regarding CEQA Cumulative Impact Analyses for Borrego Valley Groundwater Use, County of San Diego, Department of Planning and Land Use, Second Revision, January 17, 2007
5. Superior Court of the State of California, Judgment Pursuant to Stipulation Adjudicating Rights in the Beaumont Basin, February 4, 2004
6. Wildermuth, Mark, Update of the Groundwater Management Plan and Anza Borrego Desert Integrated Regional Water Management Plan, April 14, 2011

**Background:** Broadly understood, good governance is the maintenance of an appropriate level of accountability for directors and managers so that there is both transparent decision-making and an effective means to take action for poor performance or decisions. The term *fiduciary responsibility* is one which almost every board member is familiar. Simply put, fiduciary responsibility is a legal relationship of trust and confidence between the board members and the public it serves. It assumes a standard for appropriate conduct and decision making by the board members. This requires them to serve in the best interests of the district. Doing so means that they would act in a manner similar to that of an ordinary and prudent person in similar circumstances.

Under the law, directors are afforded protection from many lawsuits emerging from poor decisions by the so-called business judgment rule. But interpretations of the rule have changed over time. Where once directors could merely say they made a business decision that appeared to be prudent, now it often must be supported by documentation that the decision was made in good faith, with the proper due diligence and counsel, and that it aimed at benefiting the ratepayers. The foundation for such proof is found in management and board processes. Boards that focus intently on those areas, asking insightful questions—and capturing the due diligence of their deliberations in their minutes—might not be any less likely to face a lawsuit. But they will be much more likely to prevail in court.

**Policy:** As far as practicable, the Board agrees that the decisions it makes that have a material effect on the current and/or future finances of the District shall be contemplated only after adequate due diligence is performed appropriate to the materiality of the decision being made. Such due diligence shall be supported by written documentation of any analysis used to support the decision by the board. Where appropriate due to the materiality of the decision being made, such analysis shall be performed by an independent third party with special expertise regarding the substance of the decision. Furthermore, in no case will the Board obligate ratepayers to future debt without public disclosure prior to any decision that requires debt to be incurred.

Example 1: A \$70,000 expense is not material. An agreement to pay \$70,000/yr for 10-years is.

Example 2: A no or low-cost decision that has a high probability of obligating the District to a \$1,000,000 future debt is a material decision.

**Rationale:** In the past, written documentation of the business case (an analytical basis for how this decision benefits the District and its ratepayers) for some material decisions by prior boards has been neither undertaken nor preserved as part of the public record. Neither transparency nor accountability for these decisions have exhibited good governance standards for sound financial decision-making.

<b>FYE 2011 Customer Usage by User Code</b>			
<b>USER CODE</b>	<b>AF/Yr/Account</b>	<b># of Accounts</b>	<b>Zero Accounts</b>
Residential	0.64	1707	206
Public Agency	3.05	34	0
Irrigation	4.53	58	9
Multiple Units	6.98	25	2
Commercial	2.42	104	16
Golf Course	376.16	3	0
Sub-total		1931	233
Residential = Single family residences			
Public Agency = schools, parks, St. Park, churches			
Irrigation = Homeowners asso., common areas			
Multiple Units = Apartments, mobile home parks, duplexes			
Commercial =Resturants, retail shops, hotels, RV parks			
Golf Course = Montesorro and Club Circle			
Zero Accounts = Meters in ground with no usage			
AF/Yr = Acre feet per year			
1 Acre foot = 435.63 units			