

AGENDA
Borrego Water District Board of Directors
Regular Meeting
November 14, 2012, 9:00 a.m.
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 (1-2)
- E. Approval of Minutes
 - Special meeting of October 16, 2012 (3-4)
 - Regular meeting of October 24, 2012 (5-7)
- F. Comments from Directors and Requests for Future Agenda Items
- G. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)
- H. Correspondence: Letter from K. Zelasko (8-9)
- I. Staff Reports:
 - A. Financial Reports – October 2012 (10-25)
 - B. Manager / Operations Report (26)
- J. Attorney's Report

II. CURRENT BUSINESS MATTERS

- A. Discussion of the DRAFT County GW Ordinance and MOA (Call in at 9:30 AM by Jim Bennett and Heather Lingelser from Planning and Development Services) (27-40)
- B. Discussion of DRAFT New Development Policy revisions (41-49)
- C. Review of DRAFT Water Credit Policy revisions to conform to County GW ordinance and MOA (50-61)
- D. Discussion and possible approval of Agreement for Geohydrologic Consulting Services (62-67)
- E. Discussion and possible approval of Notice of Intent to remove delinquent special tax installments from the tax roll Community Facilities District no. 2007-1 of the Borrego Water District (68-77)
- F. Discussion and possible approval of ***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*** (78-89)
- G. Response to Board Request regarding E-Mailing Water Bills (90)
- H. Discussion regarding changing the billing period (meter reading dates)

III. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

- | | |
|--|------------------------|
| 1. Audit Committee | (M. Brecht, L. Brecht) |
| 2. Due-Diligence | (M. Brecht, L. Brecht) |
| 3. Strategic Planning Committee/IRWM | (Hart, L. Brecht) |
| 4. Executive Committee | (Estep, Hart) |
| 5. Operations & Management Committee | (M. Brecht, Delahay) |
| 6. Christmas Circle Committee | (Estep, Hart) |
| 7. Negotiating (Rams Hill & cable antenna) | (Estep, M. Brecht) |
| 8. New Development Committee | (Estep, L. Brecht) |
| 9. Asset Ad Hoc Committee | (Hart, M. Brecht) |

IV. STAFF REPORTS

- A. Water and Wastewater Operations Report – October 2012 (91)
- B. Water Production/Use Records – October 2012 (92-95)

V. INFORMATION ITEMS

- A. Bloomberg Water Leadership Forum (97-99)
- B. Holiday Schedule (100)

VI. CLOSED SESSION

- A. Conference with Legal Counsel – Anticipated Litigation/Significant Exposure to Litigation
Government Code section 54956.9(b)
One case

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR - Reference Government Code Section 54956.8:
 - Property: Rams Hill
 - District Negotiator: Negotiating Committee
 - Negotiating Parties: Bill Berkley
 - Under Negotiation: Price and terms of payment

VII. CLOSING PROCEDURE

The next Regular Meeting of the Board of Directors is scheduled for December 12, 2012 at the Borrego Water District.

**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Wednesday, October 16, 2012
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

- A. Call to Order: President Hart called the meeting to order at 9:00 a.m.
- B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.
- C. Roll Call: Directors: Present: President Hart, Vice-President Lyle Brecht, Secretary/Treasurer Marshal Brecht, Delahay, Estep
 Staff: Jerry Rolwing, General Manager
 Wendy Quinn, Recording Secretary
 Public: Kathy Johnston Jim Engelke
- D. Approval of Agenda: *MSC: L.Brecht/Delahay approving the Agenda as written.*
- E. Comments from Directors and Requests for Future Agenda Items: None
- F. Comments from the Public and Requests for Future Agenda Items: None

II. CURRENT BUSINESS MATTERS

A. Discussion of New Development Fees: Jerry Rolwing invited the Board's attention to the material in the Board package. Director Lyle Brecht questioned the accuracy of footnote 1, regarding an assumed average water consumption, and requested its deletion. President Hart suggested adding a statement that the fees apply to all new construction, including single family homes. Lisa Foster will be consulted. Director Lyle Brecht requested a change in the titles on Agenda pages 12 and 16 to clarify.

Mr. Rolwing noted that the County landscape ordinance applies to Borrego Springs. The Board agreed to investigate the adoption of a separate landscape ordinance for Borrego.

Jim Engelke suggested setting different EDUs for different size houses based on fixture units. Mr. Rolwing suggested adding to the Guest House category, "or casita, less than 800 square feet with one bathroom." He will look into wording in other districts' policies.

Mr. Rolwing pointed out that ID 5 has higher sewer rates because they used to have their own treatment plant. He suggested these rates stay the same until the other IDs catch up.

Discussion followed regarding sewer EDU issues: The ID 2 contract which involved private sewer construction money and requires EDU holder approval to increase rates; the issue of long-time EDU holders who no longer want them; and the current provision that an unused EDU reverts to the District after six months. The matters were referred to the Development Committee.

Mr. Engelke suggested adopting the Uniform Plumbing Code, requiring all properties with access to the sewer to hook up to it.

The Board questioned the provision at the top of Agenda page 5 that the application fee is non-refundable 45 days after the submission of the Application. Mr. Rolwing will modify or delete it.

Director Estep recommended modification of section 13, Resolution of Disputes, to provide that disputes will be referred to the Board, then to mediation, then to arbitration but not necessarily the American Arbitration Association. Ms. Foster will be consulted.

Discussion followed regarding the reduction of mitigation requirements from 2:1 to 1:1 and the proposal that existing water credit holders have the option to use the second credit to satisfy the capacity fee increase. Mr. Engelke believed this was not permissible under the California mitigation law. The Board agreed to ask Ms. Foster to draft some alternative language. President Hart suggested attaching a list of existing water credits.

Director Marshal Brecht pointed out that the total ¾” meter charge (Agenda page 16) should be \$795, not \$765. He further suggested modifying the wording at the top of the page to refer to “capacity fee and lateral installation pre-paid by developer.”

This item will be before the Board for further discussion at the next meeting, with approval tentatively in November and the public hearing in January. Letters to developers and hearing notice will be published as required.

B. Discussion of future climate change and Conservation workshops: Director Lyle Brecht pointed out that USGS did not plan to include climate change in its model, but expects rainfall to decline and agriculture will use more water. He recommended looking into this, since larger districts are planning ahead by reserving funds for desalination and/or conservation. Mr. Rolwing had discussed the issue with the Bureau of Reclamation and was told there was no proof that climate change would occur in Borrego Springs. They will visit us next month and perhaps provide additional insight.

C. Discussion of potential agenda items for October 24th board meeting: Suggested items for the next agenda included the County mitigation policy and MOU (if available), further discussion of new development fees, presentation of the annual audit, and adoption of a resolution changing the November and December meeting dates (one meeting each month, November 14 and December 12). Mr. Rolwing will include the status of air in the water in his General Manager’s report.

President Hart declared a recess at 11:00 for an ad hoc committee meeting with a representative of the County.

III. CLOSED SESSION

A. Conference with Real Property Negotiator – Reference Government Code section 54956.8:

Property:	Rams Hill
District Negotiator:	Negotiating Committee
Negotiating Parties:	Bill Berkley
Under Negotiation:	Price and terms of payment

The Board reconvened at 11:15 a.m., then adjourned to closed session. The open session reconvened at 12:00 p.m. There was no reportable action.

IV. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting was adjourned at 12:00 p.m. The next Regular Meeting of the Board of Directors is scheduled for October 24, 2012 at the Borrego Water District.

B. Manager/Operations Report: Mr. Rolwing reported that three of our wells are down. Staff and the Operations and Management Committee are working with a hydraulic engineering firm to resolve the problems with Well 11. President Hart reported that DWR had formed a committee including Tim Ross and Laura Peters to identify those who would be significantly impacted if Borrego Valley becomes a managed basin. If our IRWM grant application is successful, this data could be incorporated. Mr. Rolwing noted we expect a decision on the grant application in November.

J. Attorney's Report: None

II. CURRENT BUSINESS MATTERS

A. Presentation of FYE 2012 audited financial results by Harvey Schroeder and Lee Parravano of White Nelson Diehl Evans LLP: Lee Parravano summarized the audited financial results for the fiscal year ending August 2012. The Management's Discussion and Analysis included detailed accounting of the District's cash and investments and analysis of revenue and expenses. In the Notes to Basic Financial Statements, Mr. Parravano highlighted the District's 2008 Installment Purchase Agreement, which should be continually monitored. Director Marshal Brecht suggested adding a line item for increase or decrease in fiduciary funds.

B. Discussion of New Development fees: Mr. Rolwing summarized the modifications to the proposed new development fees resulting from last week's workshop, including some of the section titles and provisions in the dispute resolution procedures. Discussion followed regarding water credit issues. Mr. Engelke distributed an outline explaining the proposed change in the groundwater mitigation ratio. The County's 1:1 mitigation requirement is based on CEQA and is required when a subdivision is approved. The District's 1:1 mitigation requirement is separate, based on the Water Code and required when a building permit is issued. He recommended that the development fees be kept separate from the mitigation policy. President Hart suggested investigating other districts' policies, and asked Mr. Engelke to work with Lisa Foster. A question remains as to whether a builder can use water credits for his/her fee in lieu of cash.

C. Reappointment of Lee Estep and Ray Delahay to the Board: President Hart announced that the County had already reappointed Directors Estep and Delahay to terms ending December 2, 2016.

D. Discussion and possible approval to update signers on the Borrego Springs Bank account: *MSC: Estep/M.Brecht removing Eleanor Shimeall as a signer on the District's Borrego Springs Bank account and adding Ray Delahay.*

E. Discussion and possible approval of Resolution 2012-10-01 revising the schedule of Regular Meetings to meet on November 14th and December 12, 2012: *MSC: Estep/Delahay adopting Resolution 2012-10-01, revising the schedule of Regular Meetings to meet on November 14 and December 12, 2012.*

III. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Discussed earlier in this meeting.

2. Due-Diligence

No report.

3. Strategic Planning Committee/IRWM
This report was included in the Manager's Report.

4. Executive Committee
No report.

5. Operations & Management Committee
Mr. Rolwing had covered this report in his Manager's Report.

6. Christmas Circle Committee
No report.

7. Negotiating (Rams Hill & cable antenna)
No report.

8. New Development Committee
Discussed earlier in this meeting.

9. Asset Committee

President Hart and Director Marshal Brecht met with the County regarding the sale of real property. Further report was continued to closed session.

IV. STAFF REPORTS

A. Water and Wastewater Operations Report - September 2012: Mr. Rolwing noted that flows were down at the wastewater treatment plant, which is normal for this time of year.

B. Water Production/Use Records - September 2012: Director Marshal Brecht thanked staff for the additional months' data on Board packet page 90.

V. INFORMATION ITEMS

None

VI. CLOSED SESSION

A. Conference with Legal Counsel - Anticipated Litigation/Significant Exposure to Litigation; Government Code section 54956.9(b), One case:

B. Conference with Real Property Negotiator - Reference Government Code Section 54956.8:

Property:	Parcel APN 200-210-14
District Negotiator:	Jerry Rolwing
Negotiating Parties:	County of San Diego
Under Negotiation:	Price and terms of payment

The Board adjourned to closed session at 10:45 a.m. The open session reconvened at 12:00 p.m. There was no reportable action as to Item VI.A. As to Item VI.B, the Board authorized the sale of a portion of parcel 200-210-14 to San Diego County for \$124,000. The Board authorized Mr. Rolwing to execute all documents related to this matter.

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 12:00 p.m. The next Regular Meeting of the Board of Directors is scheduled for November 14, 2012 at the Borrego Water District.

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Subject: RE: Water Charge For Wagon Rd
From: jerry@borregowd.org
Date: Thu, Nov 01, 2012 2:41 pm
To: "Kathy Zelasko" [REDACTED]

Hello Ms. Zelasko, thank you for your letter. I will include your letter with correspondence in the next package for the Board of Directors meeting November 14th. District policy sets how we charge for water meters and presently, there is no provision for turning off a meter without removing it.

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

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

Subject: Water Charge For Wagon Rd
From: Kathy Zelasko [REDACTED]
Date: Mon, October 29, 2012 2:40 pm
To: jerry@borregowd.org

Hello Jerry,

I was told by the office that you are the person to correspond with regarding the recent change in price. I understand that prices need to be adjusted periodically but honestly we have owned our property on Wagon Rd, Unit K lot 14, for around 10 years and have never attempted to use a drop of water. I can understand the price going up on homes but vacant lots is not really right.

I currently own a home in Temecula that is 3000 sf, not only do I do laundry several times a week but my sprinklers are on twice a day, my water bill is not much more than what Borrego water is now charging me. My husband and I like many individuals are really struggling to make ends meet and I have been trying to get a full time position to alleviate the stress. Paying almost \$600 a year for basically nothing is really too much for us, nor do I want to remove my meter that I purchased years ago. Being in Real Estate I am not exactly sure why you can not have meter turned off as many homeowners are doing that on vacant homes in Riverside and San Diego thus not incurring charges. why is Borrego different, what if I had a home that was empty and waiting for a renter, I could not turn off water?

I am asking that you and the board reevaluate the need to increase water base charge for empty lots as I do not want to have meter removed. My husband and I come out every so often carrying jugs of water to water some of the plants so not to use water that homeowners might need, but now I am thinking that perhaps I will go along with his idea of putting sprinkler system and have automatic watering done since I am getting charged I might as well use at least my \$45 worth.

I hope you and the board will re-evaluate the pricing so perhaps other individuals like myself with vacant lots will keep their meters instead of having them removed as I have been told many are doing.

Thank you for your consideration to this matter,

Kathy Zelasko



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**BWD CASH FLOW
2012-2013**

	C	D	W	X	Y	Z	AA
4	BWD CASH FLOW						
5	2012-2013						
6			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
7			BUDGET	OCTOBER	OCT	YTD	PROJECTED
8	REVENUE		2012-2013	2012	2012	2012-2013	2012-2013
9	WATER REVENUE						
10	Residential Water Sales (Assume no water use on Montesorro GC)		797,310	73,528	76,529	270,110	731,872
11	Commercial Water Sales		112,548	9,020	9,635	38,370	103,873
12	Irrigation Water Sales		134,297	19,146	21,008	56,204	123,825
13	GWM Surcharge		103,204	9,888	10,454	35,401	92,117
14	Water Sales Power Portion		331,621	32,722	34,249	116,425	301,845
15	Readiness Water Charge		986,046	80,877	83,797	301,241	970,523
16	Meter Installation		0	0	0	-	-
17	Water hook-up charge		0	0	0	-	-
18	Reconnect Fees		11,000	0	680	2,040	8,780
19	Backflow Testing/Installation		5,000	0		-	5,000
20	Bulk Water Sales		3,570	963	100	4,205	7,324
21	Penalty & Interest Water Collection		32,252	(2,334)	3,000	4,092	26,385
22	TOTAL WATER REVENUE:		2,516,848	223,808	239,453	828,088	2,371,544
23		Receivables					2,371,544
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 11/06/12					
25	641500 1% Property Assessments	69,290	68,174	967	967	2,709	67,732
26	641502 Property Assess wtr/swtr/fltd (679 parcels \$66 ea(44,814))	42,466	24,985	0	0	147	25,734
27	641502/641503 Prop Assess. (Allowance for bad debt (\$458,909))	641,900	0			-	-
28	641501 Water avail Standby	97,621	78,918	0	420	654	78,700
29	641504 ID 3 Water Standby (361 parcels \$37.70 parcel (13,609.7))	13,610	13,609	0		-	11,874
30	641504 ID 3 Water Standby-(La Casa-2 parcels= \$20,150)	19,074	19,495	613	193	979	21,871
31	641503 Pest standby	31,323	14,183	59	59	174	14,261
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	915,284	219,364	1,639	1,639	4,663	220,172
33							220,172
34	SEWER SERVICE CHARGES						
35	Town Center Sewer Holder's Fees		180,144	14,274	15,012	59,309	179,405
36	Sewer user Fees (budget increase figures excludes TCS)		309,790	22,119	26,400	92,798	309,998
37	Penalty Interest-Sewer		1,200	0	100	725	1,525
38	Sewer Inspection Fees		0	0	0	-	-
39	Sewer Capacity Fees		0	0	0	-	-
40	TOTAL SEWER SERVICE CHARGES:		491,134	36,392	41,512	152,832	490,928
41							490,928
42	OTHER INCOME						
43	Rent Income-San Diego County/Antilles wireless		7,715	1,043	643	2,929	11,273
44	Annexation Fees		0	0	0	-	-
45	Fire Hydrant Installation		0	0	0	-	-
46	Miscellaneous Income (net csd fee/JPIA rebate)		13,000	(2,320)	120	(1,951)	8,766
47	Administrative Fee-Water Credits		1,000	0	0	-	1,000
48	Gain on Asset Sold		0	36,000	0	36,000	36,000
49	Stag Grant		0	0	0	-	-
50	Interest Income		200	27	28	63	185
51	TOTAL OTHER INCOME:		21,915	34,750	791	37,041	57,223
52							57,223
53	TOTAL INCOME:		3,249,262	296,589	283,395	1,022,624	3,139,867
54							3,139,867
55	CASH BASIS ADJUSTMENTS						
56	Decrease (Increase) in Accounts Receivable		0	(15,509)		(44,803)	(44,803)
57	CC Golf Equipment receivable		2,268	189	189	757	2,269
58	Other Cash Basis Adjustments -Sale of Clark Lake Property			94,785		95,635	95,635
59	TOTAL CASH BASIS ADJUSTMENTS:		2,268	(15,320)	189	51,589	53,101
60							
61	TOTAL INCOME RECEIVED:		3,251,530	281,270	283,584	1,074,213	3,192,968

BWD CASH FLOW
2012-2013

	AH	AI	AJ	AK	AL	AM	AN	AO
4								
5	PROJECTED							
6	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE
7	2012	2012	2013	2013	2013	2013	2013	2013
8								
9								
10	66,064	44,074	45,868	48,173	46,794	52,614	71,198	86,978
11	8,453	8,058	7,759	7,818	7,866	7,736	9,292	8,521
12	15,178	5,400	5,489	7,279	5,597	5,844	9,803	13,032
13	8,786	5,629	5,783	6,193	5,845	6,448	8,830	9,202
14	28,679	18,443	18,905	20,263	19,135	21,140	28,802	30,053
15	83,902	83,791	82,906	83,857	83,892	82,982	84,269	83,683
16	-	0	0	0	0	0	0	0
17	-	0	0	0	0	0	0	0
18	1,000	2,000	1,700	0	0	1,360	680	0
19		725	4,200	25	50	0	0	0
20	618	0	20	350	79	482	1,470	100
21	2,500	2,386	3,300	2,884	3,732	2,638	2,853	2,000
22	215,179	170,506	175,929	176,843	172,990	181,243	217,197	233,569
23								
24								
25	2,065	23,944	9,562	1,024	1,907	18,581	6,672	1,267
26	2,348	3,333	9,248	1,321	891	726	6,792	927
27					0	0		
28	8,779	14,833	27,185	2,109	3,316	2,733	14,935	4,156
29	0	2,752	9,122	0	0			0
30	1,076	0	5,141	343	516	415	12,910	490
31	693	1,953	5,681	303	431	356	4,148	523
32	14,961	46,815	65,940	5,100	7,062	22,811	45,459	7,362
33								
34								
35	15,012	15,012	15,012	15,012	15,012	15,012	15,012	15,012
36	26,400	26,400	26,400	26,400	26,400	26,400	26,400	32,400
37	100	100	100	100	100	100	100	100
38	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0
40	41,512	47,512						
41								
42								
43	1,043	1,043	1,043	1,043	1,043	1,043	1,043	1,043
44	0	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0	0
46	120	120	120	120	9,876	120	120	120
47	1,000	0	0	0	0	0	0	0
48	0	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0	0
50	11	11	28	11	11	28	11	11
51	2,174	1,174	1,191	1,174	10,930	1,191	1,174	1,174
52								
53	273,826	260,007	284,571	224,629	232,494	246,757	305,342	289,617
54								
55								
56								
57	189	189	189	189	189	189	189	189
58								
59	189	189	189	189	189	189	189	189
60								
61	274,015	260,196	284,760	224,818	232,683	246,946	305,531	289,806

**BWD CASH FLOW
2012-2013**

	C	D	W	X	Y	Z	AA
4	BWD CASH FLOW						
5	2012-2013						
6			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
7			BUDGET	OCTOBER	OCT	YTD	PROJECTED
62	EXPENSES		2012-2013	2012	2012	2012-2013	2012-2013
63							
64	MAINTENANCE EXPENSE						
65	R & M Buildings & Equipment		130,000	8,169	11,000	39,528	127,528
66	R & M - WWTP		60,000	514	1,900	1,924	41,924
67	Telemetry		15,000	0	1,500	1,328	11,328
68	Trash Removal		3,600	304	300	1,215	3,615
69	Vehicle Expense		12,000	1,473	600	11,369	14,469
70	Fuel & Oil		35,000	1,029	2,500	9,382	31,082
71	TOTAL MAINTENANCE EXPENSE:		255,600	11,489	17,800	64,745	229,945
72							229,945
73	PROFESSIONAL SERVICES EXPENSE						
74	Accounting		4,000	0	0	416	1,916
75	Administrative Services (ADP/Bank Fees)		5,000	489	420	1,850	5,164
76	Audit Fees		26,000	7,300	2,500	17,700	26,000
77	Computer billing		9,000	1,093	500	4,133	9,000
78	Consulting/Technical		1,500	0	500	-	500
79	Engineering		10,000	780	1,000	1,625	7,625
80	Legal Services		10,000	71	1,000	8,381	10,781
81	Testing/lab work		28,000	900	1,500	3,262	21,320
82	Regulatory Permit Fees		45,000	19,049	12,504	19,362	44,382
83	TOTAL PROFESSIONAL SERVICES EXPENSE:		138,500	29,681	19,924	56,727	126,687
84							126,687
85	INSURANCE/INTEREST EXPENSE						
86	ACWA Insurance		72,000	0	0	30,539	71,146
87	Workers Comp		19,200	0	0	4,573	18,973
88	Interest-COP 2008/Well 12 Purchase Agreement		225,072	0	0	162,634	225,072
89	TOTAL INSURANCE/INTEREST EXPENSE:		316,272	0	0	197,746	315,191
90							315,191
91	PERSONNEL EXPENSE						
92	Board Meeting Expense (board stipend/board secretary)		9,130	490	830	1,740	11,020
93	Salaries & Wages (gross)		825,000	84,041	68,750	287,490	837,490
94	Taxes on Payroll		19,251	1,273	1,146	4,368	19,206
95	Medical Insurance Benefits	+10% dec-july	223,000	17,627	17,670	70,506	222,825
96	Calpers Retirement Benefits		177,240	14,890	14,770	57,951	176,111
97	Salaries & Wages contra account		(24,000)	(330)	(2,000)	(4,090)	(20,090)
98	Conference/Conventions/Training/Seminars		7,500	80	225	4,992	7,491
99	TOTAL PERSONNEL EXPENSE:		1,237,121	118,071	101,391	422,957	1,254,053
100							1,254,053
101	OFFICE EXPENSE						
102	Office Supplies		18,000	1,447	1,300	9,964	17,964
103	Office Equipment/ Rental/Maintenance Agreements		26,000	1,076	261	13,226	30,386
104	Postage & Freight		11,000	0	1,000	3,137	9,585
105	Taxes on Property		2,300	2,150	0	2,150	2,150
106	Telephone/Answering Service		8,500	615	700	2,669	8,369
107	Bad Debt Collection		1,000	(32)	120	(52)	488
108	Dues & Subscriptions		5,000	0	40	695	4,685
109	Printing, Publications & Notices		1,500	343	0	747	1,747
110	Uniforms		6,500	473	540	2,191	6,531
111	Osha Requirements/Emergency preparedness		5,000	153	200	449	3,949
112	TOTAL OFFICE EXPENSE:		84,800	6,225	4,161	35,176	85,854
113							85,854
114	UTILITIES EXPENSE						
115	Pumping-Electricity		330,000	27,280	30,000	113,023	314,023
116	Office/Shop Utilities		16,000	1,770	1,497	7,301	16,001
117	Cellular Phone		9,000	756	725	2,242	8,342
118	TOTAL UTILITIES EXPENSE:		355,000	29,807	32,222	122,566	338,366
119							215,800
120	TOTAL EXPENSES:		2,387,292	195,272	175,498	899,917	2,350,095
121							2,350,095
122	CASH BASIS ADJUSTMENTS						
123	Decrease (Increase) in Accounts Payable		0	70,150		54,448	54,448
124	Increase (Decrease) in Inventory		0	148		13,468	13,468
125	TOTAL CASH BASIS ADJUSTMENTS:		0	70,298	0	67,915	67,915
126							
127	TOTAL EXPENSES PAID:		2,387,292	265,571	175,498	967,832	2,418,010
128							
129	NET CASH FLOW (O&M)		864,237	15,699	108,086	106,381	774,958

BWD CASH FLOW 2012-2013

	AH	AI	AJ	AK	AL	AM	AN	AO
4								
5	PROJECTED							
6	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE
7	2012	2012	2013	2013	2013	2013	2013	2013
62								
63								
64								
65	10,000	10,000	15,000	10,500	10,000	10,000	10,500	12,000
66	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
67	1,000	2,000	2,000	1,000	0	2,000	1,000	1,000
68	300	300	300	300	300	300	300	300
69	300	300	300	500	200	500	500	500
70	1,850	3,800	1,800	3,167	2,400	3,400	2,300	2,983
71	18,450	21,400	24,400	20,467	17,900	21,200	19,600	21,783
72								
73								
74	0	0	0	0	0	0	1,500	0
75	420	420	380	420	420	420	420	414
76	3,400	0	0	0	0	0	0	4,900
77	350	300	300	300	300	1,367	650	1,300
78	0	0	0	0	500	0	0	0
79	1,400	1,000	1,000	500	500	500	500	600
80	300	300	300	300	300	300	300	300
81	1,455	1,700	1,600	2,000	1,600	3,450	3,600	2,654
82	12,000	2,000	500	3,000	820	700	3,000	3,000
83	19,325	5,720	4,080	6,520	4,440	6,737	9,970	13,168
84								
85								
86	0	0	0	0	10,585	30,022	0	0
87	0	4,800	0	0	4,800	0	0	4,800
88	0	0	0	0	62,438	0	0	0
89	0	4,800	0	0	77,823	30,022	0	4,800
90								
91								
92	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160
93	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750
94	1,196	1,056	5,541	2,791	1,173	1,100	1,000	980
95	17,670	17,670	19,437	19,437	19,437	19,437	19,437	19,793
96	14,770	14,770	14,770	14,770	14,770	14,770	14,770	14,770
97	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
98	275	114	400	200	360	500	300	350
99	101,821	101,521	108,058	105,108	103,650	103,717	103,417	103,803
100								
101								
102	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
103	2,000	2,160	2,900	1,800	2,500	1,400	3,000	1,400
104	0	350	2,030	0	2,034	0	2,034	0
105	0	0	0	0	0	0	0	0
106	700	700	700	700	725	725	725	725
107	0	0	150	0	90	100	100	100
108	150	50	0	130	500	2,500	0	660
109	100	0	90	0	0	250	400	160
110	540	540	540	540	540	540	550	550
111	200	200	200	200	2,000	200	200	300
112	4,690	5,000	7,610	4,370	9,389	6,715	8,009	4,895
113								
114								
115	26,000	21,000	26,000	25,000	23,000	25,000	25,000	30,000
116	1,000	1,000	1,250	1,000	1,000	1,000	1,200	1,250
117	725	725	725	725	725	825	825	825
118	27,725	22,725	27,975	26,725	24,725	26,825	27,025	32,075
119								
120	172,011	161,166	172,123	163,190	237,927	195,216	168,021	180,524
121								
122								
123								
124								
125	0	0	0	0	0	0	0	0
126								
127	172,011	161,166	172,123	163,190	237,927	195,216	168,021	180,524
128								
129	102,003	99,031	112,637	61,628	(5,245)	51,730	137,510	109,282

BWD CASH FLOW 2012-2013

	C	D	W	X	Y	Z	AA
4	BWD CASH FLOW						
5	2012-2013						
6			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
7			BUDGET	OCTOBER	OCT	YTD	PROJECTED
130	NON O & M EXPENSES		2012-2013	2012	2012	2012-2013	2012-2013
131	USGS Basin study		131,035			1,182	132,217
132	GWM Planning Costs - unallocated		25,000		2,000	2,750	19,750
133	Integrated Regional Water Management Plan/Staff time		0			2,695	2,695
134	BOR S.E. California Regional Basin Study/Staff Time		0			-	-
135	STAG/LGA Grant/Staff time		0			923	923
136	Viking Ranch Purchase		0		0	-	69,000
137	Viking Ranch Purchase RESERVE		100,000			-	-
138	GWM/ABD-IRWM Legal Expenses		0			353	353
139	Water Credit Policy legal expenses		0			-	-
140	Contingency for possible well pump/motor failure		62,000	30,535		30,535	100,535
141	Rams Hill #1 1980 steel needs inside coating, 1.25mg		200,000			-	200,000
142	Twin Tanks, 1970's-inside coating (rescheduled into 2013-2014)		0			-	-
143	Pickup		15,000			15,500	15,500
144	ID4, Reducing Station design and installation		25,000			-	25,000
145	Circle J Drive pipeline (excludes BWD labor)		60,000			-	60,000
148	Splitter Box Concrete Repairs-WWTP	R & M	0			-	-
150	New Motor & Pump Kit for ID4-Booster Station 3	R & M	0			-	-
151	Concrete replacement-WWTP		10,000			-	10,000
152	Rework drying bed material-WWTP		43,000			-	43,000
153	Roof replacement for Lugo building		10,000		10,000	-	10,000
154	TOTAL NON O&M EXPENSES		681,035	30,535	12,000	53,938	688,973
155							688,973
156	CASH RECAP						
157	Cash beginning of period		899,435	966,713	966,714	899,435	899,435
158	Net Cash Flow (O&M)		864,237	15,699	108,086	106,381	774,958
159	Total Non O&M Expenses		(681,035)	(30,535)	(12,000)	(53,938)	(688,973)
160	Transfer To/From Reserves			0		-	0
161	CASH AT END OF PERIOD		1,082,637	951,876	1,062,799	951,877	985,419
162				951,876			
163	(Rounding)			0			
164	RESERVES		TARGET				
165	Working Capital (3 months)		600,000				
166	Contingency (3%)		72,000				
167	Asset replacement		115,000				
168	Emergency		2,500,000				
169	Viking Ranch Purchase		100,000				
170	TOTAL RESERVES		3,387,000				
171							
172	SIGNIFICANT ITEMS		ACTUAL	PROJECTED			
173							
174	Water Revenue	223,808	239,453	Decrease due to less water usage			
175	Penalty & Interest Water Collection	(2,334)	3,000	Decrease due to reversal of late fees on liened property accrued after lien was placed			
176							
177	Miscellaneous Income (net csd fee/JPIA rebate)	(2,320)	120	Decrease due to reimbursement of capital improvements expense per Club Circle Golf Course Mgmt agreement			
178							
179	Sewer user fees	22,119	26,400	Decrease due to refund of sewer user fees charged in error			
180	Regulatory Permit Fees	19,049	12,504	\$6,000 projected in Sept-paid in October			
181	Salaries & Wages (gross)	84,041	68,750	Increase due to \$12,843 JPIA rebate for staff bonus			
182	Taxes on Property	2,150	0	Projected in Nov - paid in October			
183	Contingency for possible well pump/motor failure	30,535	0	Well 11 repairs			
184							
185	Total Significant Items:	377,048	350,227				

BWD CASH FLOW 2012-2013

	AH	AI	AJ	AK	AL	AM	AN	AO
4								
5	PROJECTED							
6	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE
7	2012	2012	2013	2013	2013	2013	2013	2013
130								
131		131,035						
132	2,000	2,000	2,000	2,000	2,000	2,000	2,500	2,500
133								
134								
135								
136			69,000					
137								
138								
139								
140	60,000	10,000						
141	0	100,000	100,000					
142								
143								
144		0		20,000		5,000		
145				60,000				
148								
150								
151	0			10,000				
152			43,000					
153			0		10,000			
154	<u>62,000</u>	<u>243,035</u>	<u>214,000</u>	<u>92,000</u>	<u>12,000</u>	<u>7,000</u>	<u>2,500</u>	<u>2,500</u>
155								
156								
157	951,876	991,880	847,875	746,512	716,140	698,896	743,626	878,636
158	102,003	99,031	112,637	61,628	(5,245)	51,730	137,510	109,282
159	(62,000)	(243,035)	(214,000)	(92,000)	(12,000)	(7,000)	(2,500)	(2,500)
160								
161	991,880	847,875	746,512	716,140	698,896	743,626	878,636	985,418
162								
163								
164								
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BORREGO WATER DISTRICT

	BALANCE SHEET October 31, 2012 (unaudited)	BALANCE SHEET September 30, 2012 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 951,876.41	\$ 966,712.66	\$ (14,836.25)
Accounts receivable from water sales and sewer charges	\$ 418,340.69	\$ 402,831.63	\$ 15,509.06
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 149,261.97	\$ 149,113.87	\$ 148.10
Availability charges receivable	\$ 540,457.67	\$ 540,457.67	\$ -
Allowance for uncollectable availability charges	\$ (458,909.85)	\$ (458,909.85)	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 41,217.72	\$ 41,217.72	\$ -
Other Receivables	\$ 6,054.60	\$ 6,243.80	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 1,648,299.21	\$ 1,647,667.50	\$ 631.71
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 152,562.81	\$ 152,562.81	\$ -
Unamortized bond issue costs	\$ 105,430.03	\$ 105,430.03	\$ -
Total Debt service	\$ 257,992.84	\$ 257,992.84	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 70,754.89	\$ 70,754.89	\$ -
Total Trust fund	\$ 70,754.89	\$ 70,754.89	\$ -
TOTAL RESTRICTED ASSETS	\$ 328,747.73	\$ 328,747.73	
UTILITY PLANT IN SERVICE			
Land	\$ 1,951,084.94	\$ 1,951,084.94	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 181,778.42	\$ 181,778.42	\$ -
Sewer Facilities	\$ 5,505,105.59	\$ 5,505,105.59	\$ -
Water facilities	\$ 11,051,917.72	\$ 11,021,382.48	\$ 30,535.24
Pipelines,wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,009,059.92	\$ 1,009,059.92	\$ -
Equipment and furniture	\$ 323,754.18	\$ 323,754.18	\$ -
Vehicles	\$ 495,572.91	\$ 495,572.91	\$ -
Accumulated depreciation	\$ (10,395,326.24)	\$ (10,395,326.24)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,594,250.04	\$ 14,563,714.80	\$ 30,535.24
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 16,756,296.98	\$ 16,725,130.03	\$ 31,166.95

LIABILITIES:	BALANCE SHEET October 31, 2012 (unaudited)	BALANCE SHEET September 30, 2012 (unaudited)	MONTHLY CHANGE (unaudited)
<i>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</i>			
Accounts Payable	\$ 21,872.11	\$ 92,022.20	\$ (70,150.09)
Accrued expenses	\$ 168,546.07	\$ 168,546.07	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 28,421.25	\$ 28,421.25	\$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 218,839.43	\$ 288,989.52	\$ (70,150.09)
<i>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</i>			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 70,754.89	\$ 70,754.89	\$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 70,754.89	\$ 70,754.89	\$ -
<i>LONG TERM LIABILITIES</i>			
2008 Certificates of participation(payable from restricted assets)	\$ 2,775,000.00	\$ 2,775,000.00	\$ -
Montesoro Note Payable	\$ 695,726.52	\$ 695,726.52	\$ -
TOTAL LONG TERM LIABILITIES	\$ 3,470,726.52	\$ 3,470,726.52	\$ -
TOTAL LIABILITIES	\$ 3,760,320.84	\$ 3,830,470.93	\$ (70,150.09)
<i>FUND EQUITY</i>			
Contributed equity	\$ 9,649,544.17	\$ 9,649,544.17	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 3,346,431.97	\$ 3,245,114.93	\$ 101,317.04
Total retained earnings	\$ 3,346,431.97	\$ 3,245,114.93	\$ 101,317.04
TOTAL FUND EQUITY	\$ 12,995,976.14	\$ 12,894,659.10	\$ 101,317.04
TOTAL LIABILITIES AND FUND EQUITY	\$ 16,756,296.98	\$ 16,725,130.03	\$ 31,166.95



BORREGO WATER DISTRICT

Treasurer's Report October, 2012

% of Portfolio

Bank Balance	Carrying Value	Fair Value	Current Actual	Rate of Interest	Maturity	Valuation Source
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Cash and Cash Equivalents:

Demand Accounts at WFB/BSB/LAIF

General Account/Petty Cash	\$ 804,914	\$ 764,450	\$ 764,450	80.33%	0.00%	N/A	WFB/BSB
Payroll Account	\$ 66,522	\$ 66,006	\$ 66,006	6.94%	0.01%	N/A	WFB
LAIF	\$ 20,833	\$ 20,833	\$ 20,833	2.19%	0.36%	N/A	LAIF
MMA	\$ 100,381	\$ 100,381	\$ 100,381	10.55%	0.05%	N/A	WFB
Total Cash and Cash Equivalents	\$ 992,650	\$ 951,670	\$ 951,670	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	70,755	70,755	70,755
Total Cash, Cash Equivalents & Investments	\$ 1,063,404	\$ 1,022,425	\$ 1,022,425

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 27, 2012.

Cash, investments and future cash flows are sufficient to meet the needs of the District for the next six months.

Sources of valuations are Borrego Springs Bank (BSB), Wells Fargo Bank (WFB), LAIF and US Trust Bank.

Kim Pitman, Administration Manager



BORREGO WATER DISTRICT

To: BWD Board of Directors
From: Kim Pitman
Subject: Consideration of the Disbursements and Claims Paid
Month Ending October, 2012

A. Vendor disbursements paid during this period:	\$	157,441.16
<u>Significant items:</u>		
Utilities	\$	29,050.00
CalPERS Payments	\$	14,889.98
Employee Health Benefits	\$	17,626.51
Department of Public Health-Water System fees FY 2012	\$	12,504.32
B. Capital Projects/Fixed Asset Outlays: <i>(included in vendor disbursements paid above)</i>		
Well 11 repairs	\$	30,535.24
C. Total Professional Services for this Period: <i>(included in vendor disbursements paid above)</i>		
McDougal, Love, Eckis, Attorneys	legal-general	
**No invoice received for October	IRWM	
	GWM	
Total Invoice:	\$	-
Dynamic Consulting Engineers	\$	780.00
Total Invoice:	\$	780.00
White Nelson Diehl Evans LLP- Audit FYE 2012	\$	7,300.00
Total Invoice:	\$	7,300.00
D. Payroll for this Period:		
Gross Payroll	\$	84,041.18
Employer Payroll Taxes and ADP Fee	\$	1,462.76
Total	\$	85,503.94

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
OCTOBER 31, 2012

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18041	10/24/12	ACWA/JPIA EMPLOYEE BENEFITS PE:11/01/12-12/01/12	18,967.61
18042	10/24/12	AdvizeX Technologies, LLC HARDWARE SUPPORT HP DATASTREAM 11/01/12-10/31/13	938.52
18043	10/24/12	APLAC EMPLOYEE PAID SUPPLEMENTAL INSURANCE	1,067.90
18044	10/24/12	COUNTY OF SAN DIEGO EXCAVATION PERMITS THROUGH OCT 2012	1,415.30
18045	10/24/12	DATASTREAM BUSINESS SOLUTIONS, PROGRAMMING 09/01/12-09/30/12	1,092.50
18046	10/24/12	DEBBIE MORETTI PEST CONTROL ALL OFFICES	113.00
18047	10/24/12	DESERT TIRE CENTER 2010 F450 FORD LIC#1252052CA NEW TIRES 2001 F150 FORD LIC#1104267CA NEW BRAKES 2008 GMC YUKON LIC#1252013CA BASIC SERVICE	869.87
18048	10/24/12	DOWNEY BRAND PROFESSIONAL FEES: THROUGH 09/30/12	70.50
18049	10/24/12	HIDDEN VALLEY PUMP SYSTEMS INC WELL #8 CHECK OUT PUMP, REPLACE FAULTY MOTOR WELL #11 CHECK OUT FAULT & REPAIR	30,985.20
18050	10/24/12	KENNY STRICKLAND, INC. FUEL FOR CREW TRUCKS AND WELLS	1,029.35
18051	10/24/12	LANDMARK COMPACTION TEST	744.55
18052	10/24/12	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE BENEFITS PE:10/01/12-10/15/12	8,497.81
18053	10/24/12	PUMP CHECK STATIC WATER LEVEL MEASUREMENTS FOR	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 OCTOBER 31, 2012

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		OCTOBER 2012	825.00
18054	10/24/12	QUILL CORPORATION OFFICE SUPPLIES SEE INVOICE FOR DETAILS	469.92
18055	10/24/12	SAN DIEGO COUNTY TREASURER 2012-2013 TAX YR. PARCELS:201-260-01-00 200-130-02-00 & 200-130-01-00	2,150.04
18056	10/24/12	SAN DIEGO GAS & ELECTRIC 6160 624 622 9 951 RANGO WAY ID1-16 9525 627 944 5 2989 BORREGO VALLEY RD PACKAGE PLANT 6160 427 632 7 COUNTRY CLUB RD ID4-2 7285 625 351 8 4201 BORREGO SPRINGS RD ID1-10 1614 489 405 4 5037 BORREGO SPRINGS RD ID1-8 1614 196 067 6 4275 YAQUI PASS RD BOOSTER STATION 2 2739 492 349 3 4861 BORREGO SPRINGS RD TREATMENT PLANT 4240 011 405 2 301 SLASH M RD COUNTRY CLUB TANK 5035 410 733 7 3528 COUNTRY CLUB RD ID4-10 8364 482 055 9 5073 BORREGO SPRINGS RD ID1-1 3607 425 233 9 2990 BORREGO VALLEY RD TC LIFT STATION ID5 6114 522 473 7 3352 BORREGO VALLEY RD ID1-12 9489 482 054 6 5065 BORREGO SPRINGS RD ID1-2 3909 503 745 7 1775 BORREGO SPRINGS RD ID4-4	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 OCTOBER 31, 2012

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		2700 523 335 7 806 PALM CANYON DR OFFICE/MAINT SHOP 6159 441 279 1 2473 STIRRUP RD LUGO BLDG	24,085.08
18057	10/24/12	SECAP FINANCE BIZ HUB LEASE 09/30/12-10/30/12	137.49
18058	10/24/12	T.S. INDUSTRIAL SUPPLY FIRE HOSES, BRASS NOZZLE, & GLOVES	456.56
18059	10/24/12	TYCO INTEGRATED SECURITY LLC QUARTERLY CHARGES PE:11/01/12-01/31/13	169.27
18060	10/24/12	BWD OFFICE ALARM WHITE NELSON DIEHL EVANS LLP PROFESSIONAL FEES PE:OCTOBER 18,2012	7,300.00
18061	10/31/12	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICES FOR DETAILS SEE INVOICES FOR DETAILS	1,462.03
18062	10/31/12	ABILITY ANSWERING/PAGING SER ANSWERING & PAGING SERVICE OCTOBER 2012	169.32
18063	10/31/12	AT&T MOBILITY COMPANY CELL PHONES	756.29
18064	10/31/12	AT&T-CALNET 2 WWTP PHONE MAIN OFFICE PHONE MAINT SHOP PHONE	296.23
18065	10/31/12	COUNTY OF SAN DIEGO SPECIFIC LEGAL ADS FOR NOTICE TO DECLARE CANDIDACY	343.23
18066	10/31/12	DEPARTMENT OF PUBLIC HEALTH WATER SYSTEM FEES 07/01/11-06/30/12	12,504.32
18067	10/31/12	JOE'S PAVING CO.INC. PATCH & REPAVE AREAS IN ROAD FACILITIES	4,828.20
18068	10/31/12	PROGRAPHICS SCREENPRINTING, INC EMPLOYEE UNIFORMS	603.61
18069	10/31/12	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE BENEFITS PE:10/16/12-10/31/12	9,007.11
18070	10/31/12	QUILL CORPORATION OFFICE SUPPLIES	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 OCTOBER 31, 2012

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		SEE INVOICE FOR DETAILS	
		OFFICE SUPPLIES	
		SEE INVOICE FOR DETAILS	491.60
18071	10/31/12	SAN DIEGO COUNTY VECTOR ASSESSMENT FOR YE: 07/01/12-06/30/13	177.27
18072	10/31/12	SAN DIEGO GAS & ELECTRIC 3864 202 758 1 2510 RAMS HILL DR BOOSTER STATION 2 2881 512 118 8 1111 INDIAN HEAD RANCH RD ID4-18 6954 509 423 8 STIRRUP RD OLD SHOP 9534 569 937 1 2201 DIGUENO RD ID4-11	4,401.56
18073	11/08/12	ALLIED WASTE SERVICES #467 3-0467-0007554 2155 HONOR COURT BASIC SERVICE 3-0467-0701728 4861 BORREGO SPRINGS RD 2475 STIRRUP RD BASIC SERVICE	2,783.70
18074	11/08/12	AMERICAN BACKFLOW SPECIALTIES INVENTORY CONTROL	148.10
18075	11/08/12	AMERICAN LINEN INC. UNIFORMS FOR CREW	473.10
18076	11/08/12	AT CONFERENCE CONFERENCE DETAIL REGARDING ID4-11	9.05
18077	11/08/12	BORREGO SPRINGS BOTTLED WATER BOTTLED WATER FOR YARD & SHOP OFFICE	57.53
18078	11/08/12	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICES FOR DETAILS	282.87
18079	11/08/12	DESERT TIRE CENTER 2003 FORD F150 LIC#1129877 CA BASIC SERVICE 2001 FORD F150 LIC#1104267 CA BASIC SERVICE 2008 FORD F150 LIC#1252048 CA REPLACE ABS DENSOR	394.76
18080	11/08/12	DYNAMIC CONSULTING ENGINEERS	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 OCTOBER 31, 2012

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		ENGINEERING	
		THROUGH 11/01/12	780.00
18081	11/08/12	E.S. BABCOCK & SONS, INC.	
		WATER SAMPLES	
		TAKEN FROM ALL	
		WELLS	900.00
18082	11/08/12	GREEN DESERT LANDSCAPE	
		CSD MANAGEMENT	
		FEE FOR OCTOBER	
		IRRIGATION	
		MODIFICATIONS	
		REIMBURSEMENT	
		FINAL PAYMENT	7,210.80
18083	11/08/12	HOME DEPOT CREDIT SERVICES	
		SEE INVOICE	
		FOR DETAILS	19.74
18084	11/08/12	MANFREDI, ROBERT	
		REFUND ACCT# 0101091	1,385.96
18085	11/08/12	MANFREDI, ROBERT	
		REFUND ACCT# 0103121	1,385.96
18086	11/08/12	NAPA AUTO PARTS INC	
		SEE INVOICES	
		FOR DETAILS	58.25
18087	11/08/12	RECORDER/COUNTY CLERK'S OFFICE	
		LIEN RELEASE:	
		05-1375-1	
		HERNANDEZ	13.00
18088	11/08/12	SWRCB ACCOUNTING OFFICE	
		INDEX NO:180061	
		PE:7/1/12-6/30/13	
		WWTP SEWER PERMIT	
		INDEX NO:180113	
		PE:7/1/12-6/30/13	
		RAMS HILL	4,943.00
18089	11/08/12	UNDERGROUND SERVICE ALERT	
		DIG ALERT TICKETS	
		OCTOBER 2012	9.00
18090	11/08/12	WENDY QUINN	
		RECORDING SERVICE	
		OCTOBER 2012	160.00
		TOTAL	157,441.16

GWM ACCOUNTING

01-5480

FY 2013

A	B	E	F	G	H	K	L	N	O
DATE	DESCRIPTION	LGA GRANT	LGA GRANT STAFF SUPPORT	IRWMP	IRWMP STAFF SUPPORT	GWM	GWM STAFF SUPPORT	TOTALS	MONTHLY TOTALS
11 07/15/12	Record Staff time-Rolwing LGA Grant		923.20					923.20	
12 07/25/12	Fed-X overnight-DWR-IRWM planning			48.55				48.55	JULY
13 07/31/12	Ecolayers - hosting DWR			800.00				800.00	\$ 1,771.75
14 08/15/12	Record Staff time-Rolwing IRWM				553.92			553.92	AUGUST
15 08/31/12	Record Staff time-Rolwing IRWM				738.56			738.56	\$ 1,292.48
16 09/20/12	McDougal, Love, Eckis-Attorney			87.50				87.50	
17 09/28/12	GWA Conference-Jerry					265.00		265.00	
18 09/30/12	Refund preservation fee-Lewis					2,750.00		2,750.00	
19 09/30/12	USGS-work performed per agreement					1,182.01		1,182.01	SEPT
20 09/30/12	Record Staff time-Rolwing IRWM				553.92			553.92	\$ 4,838.43
21									
22									
23									OCT
24	TOTAL GWM EXPENSES FY 2013:	-	923.20	936.05	1,846.40	4,197.01	-	7,902.66	\$ 7,902.66

Borrego Water District Management Report – November 2012

By: Jerry Rolwing

FEDERAL LEVEL

U.S. Bureau of Reclamation: Reclamation staff will be here at 10:00 am, on December 11, 2012 to hold a workshop on the progress of the Southeast California Basin Study.

U.S. Dept. of Agriculture: FYE 2012 Audit and an updated water rate sheet have been provided to the Rural Development Staff. After their initial review, we will meet with staff on our current Capital Improvement Projects that could possibly be funded.

U.S. Geological Survey: Our contract with the USGS is set to expire on Dec. 31, 2012. USGS Staff has initiated a "no cost" extension to the contract that will carry us until June 30, 2013. Claudia Faunt has offered to work up a separate task for climate change to bring to the Board as a potential future project.

STATE LEVEL

The Dept. of Water Resources (DWR) Integrated Regional Water Management Planning Grant Round #2 is presently being reviewed. As a result of the comment period, the DWR is reviewing the previously scored applications and will release a final award list in mid-November.

DWR staff from the Southern District office will be here November 14-16 to collect water levels from selected wells in the Valley. Staff has been performing this monitoring on a bi-annual basis and data will be utilized to generate groundwater elevation maps.

COUNTY LEVEL

The Department of Planning and Development Services have released the final version of the amendment to the County Groundwater Ordinance and MOA (memorandum of agreement) with the Borrego Water District. County staff will be featured on a telephone conference at the November 14th Board meeting to discuss the proposed amendment and to answer any questions.

DISTRICT LEVEL

Well ID5-5 has been placed back in service as of Monday November 5th. The production from this well was increased in September due to the pump failure at well ID4-11. Well #5 was the source of the "air entrapped water" that was a primary concern of the customers over the past two months. The air problem and the mechanical failure have been corrected. The assessment of well ID4-11 continues with the assistance of a geohydrologic consultant. More information on that project as it progresses.

ORDINANCE NO. _____ (N.S.)

AN ORDINANCE AMENDING
THE SAN DIEGO COUNTY CODE
RELATING TO GROUNDWATER

The Board of Supervisors of the County of San Diego ordains as follows:

Section 1. The Board of Supervisors finds and determines that the County ordinance that regulates the use of groundwater should be revised to update and clarify the regulations and to require new development in the Borrego Valley to use groundwater reduction measures.

Section 2. Section 67.703 is amended to read as follows:

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~~Development Services.

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 ~~g~~General p~~Plan.~~ 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.

Section 3. Section 67.710 is amended to read as follows:

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.
8. Monitor and maintain files regarding groundwater use reduction measures pursuant to Section 67.720.

Section 4. Section 67.711 is amended to read as follows:

Sec. 67.711 Application.

Prior to approval of any of the following discretionary land development applications for a project which proposes ~~the~~ to 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~~)

~~Lot Line 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 Lot Line Adjustment Plat will ~~create~~ result in 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 Lot Line Adjustment Plat shall comply with Section 67.722, but not Sections 67.720 or 67.721.

Section 5. Section 67.720 is amended to read as follows:

Sec. 67.720 Borrego Valley.

~~For any project located within~~ The following provisions apply to Projects using groundwater resources in the Borrego Valley Exemption Area. This area is as 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. In accordance with the following provisions, grant an easement to the County of San Diego on off-site land that is being actively irrigated:

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:

i. The use of a maximum of one acre-foot of groundwater per year for a single-family residence; or

ii. A subsequent project on the land subject to the easement that would require discretionary approval by the County if groundwater use reduction measures are implemented that fully offset the amount of groundwater that the proposed project would use. Groundwater use reduction measures that may be used for these projects include the measures listed in Sections 67.720.B.1 (this Section) and 67.720.B.2.

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. Evidence of historic groundwater use on the land subject to the easement may include, but is not limited to, a survey by a California Professional Land Surveyor or Professional Engineer, historical aerial photographs, and a written description of the historical water use.

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

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>4.9</u>
<u>Nursery plants</u>	<u>4.5</u>
<u>Palms (all types)</u>	<u>3.7</u>
<u>Tamarisk</u>	<u>1.7</u>
<u>Turf (warm season)</u>	<u>5.1</u>
<u>Turf (winter cool/ summer warm)</u>	<u>5.6</u>
<u>Potatoes</u>	<u>0.8</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 the table above shall be determined by the Director.

- e) Submit the easement to the Department of Planning and Development Services 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 _____ [this], 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.

Section 6. Section 67.721 is amended to read as follows:

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~~Development Services 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.

Section 7. Section 67.750 is amended to read as follows:

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.

Section 8. This ordinance shall take effect thirty days after its passage and before the expiration of fifteen days after its passage, a summary hereof shall be published once with the names of the members of this Board voting for and against it in the _____ a newspaper of general circulation published in the County of San Diego.

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. As used in this MOA, the term "water credit" means an entitlement created under the Water Credit and Mitigation Policy of BWD as published on BWD's website. The purpose of issuing a water credit is to recognize the fallowing of actively irrigated land located in the Borrego Valley Groundwater Basin (BVGB). As specified in this MOA, a water credit may be used in the future to offset the groundwater use of a proposed development. A water credit does not convey, and shall not be construed to convey, water rights, nor is it a guarantee by BWD of the future availability of water from the BVGB. It should be noted that a water credit is not a guarantee that a proposed development, for which a water credit will be used as an offset, can or will be approved by the County.

3. 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 the following uses:

- i. One-acre foot of groundwater per year to serve a single-family dwelling; or
- ii. A project that would require discretionary approval by the County if groundwater use reduction measures are implemented that fully offset the amount of groundwater that the project would use. Groundwater use reduction measures that may be used include measures listed in County Code sections 67.720.B.1 and 67.720.B.2 (County Groundwater Ordinance).

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.

4. Prior to accepting the easement, BWD shall do the following:

i. 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; and

ii. Submit a copy of the draft easement to the Director of Planning and Development Services (PDS) for review and approval. The Director of PDS shall review the draft easement and shall approve it if the Director determines that the easement is adequate. If the Director determines that the draft easement is not adequate, the Director will send a letter to BWD with recommended changes. The Director will make a good-faith effort to review the draft easement and approve it or submit a comment letter to BWD within 30 days of the receipt of the draft easement. BWD shall accept all changes recommended by the Director of PDS or provide a letter to the Director of PDS with recommended changes within 30 days of the receipt of the comment letter.

5. Each water credit shall be equal to one-acre foot of water per year. Water credit calculations that end with .50 to .99 acre-feet shall be rounded up to the next acre

foot, and calculations that end with .01 to .49 acre-feet shall be rounded down to the previous full acre foot.

6. 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. The assumptions used to calculate the water offset credits are included in Exhibit B.

7. The irrigation of the land for which the water credits are issued shall have begun before January 1, 2008 and shall have continued at least until the date the application was submitted to BWD for the easement. All water use must cease in accordance with the terms of the BWD easement.

8. BWD shall submit a copy of the recorded easement to the Director of Planning and Development Services within 30 days of the easement being recorded.

9. 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

10. 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.

11. 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 9 above, County determines that the water credits do not comply with this MOA, County will not recognize the water credits for offsets.

12. Either party may terminate this MOA on 90 days prior written notice to the other party. Notice of termination shall be addressed as follows:

To County:
Director of Planning and
Development Services
5510 Overland Avenue, Suite 310
San Diego, CA 92123

To BWD:

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

14. 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]

EXHIBIT A

Please fill out the appropriate unshaded areas in the table below.

Vegetation Type	Date Irrigation Commenced	Vegetated Area Under Active Irrigation ¹ (acres)	Groundwater Consumptive Use Per Acre (acre-feet/year)	Annual Groundwater Consumptive Use (acre-feet/year)
Citrus (all types)			4.9	
Nursery plants			4.5	
Palms (all types)			3.7	
Tamarisk			1.7	
Turf (warm season)			5.1	
Turf (winter cool/summer warm)			5.6	
Potatoes ²			0.8	
Total groundwater use available for credits				

¹ The irrigated acreage will almost always be less than the gross area of land containing vegetation because of ditches, farm roads, farmsteads, vacant land, etc. Discount the gross acreage to account for non-irrigated uses and non-irrigated areas within the gross area being considered.

² According to the Borrego Water District, potatoes are a winter crop and are rotated once every three years. Approximately 2.5 acre-feet per acre are applied to potato fields over a three year cycle. Therefore, the annual groundwater consumptive use would be approximately 0.8 acre-feet per acre.

EXHIBIT B

Assumptions Used to Calculate 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 below for the most common vegetation types in Borrego Valley.

Vegetation Type	Groundwater Offset Credit (acre-feet/acre/year)
Citrus (all types)	4.9
Nursery plants	4.5
Palms (all types)	3.7
Tamarisk	1.7
Turf (warm season)	5.1
Turf (winter cool/summer warm)	5.6

These amounts were determined by using the following equation:

Annual Groundwater Consumptive Use (acre-feet/yr) =

[Reference Evapotranspiration (feet/year) x Plant Factor x 1 acre] / Irrigation Efficiency

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

Reference Evapotranspiration (ET_o) (feet per year), means the approximate water loss from a field of 4-to-7-inch-tall cool season grass that is not water stressed. ET_o values are published by the California Irrigation Management Information System (CIMIS). Use the published annual ET_o for Zone 18 (annual ET_o of 5.97 feet). (Source for ET_o: <http://www.cimis.water.ca.gov>).

Plant Factor (or Crop Coefficient) means the fraction of water lost from the plant relative to ET_o. The annual plant factor is listed below 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 the most recent 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 and <http://celosangeles.ucdavis.edu/newsletterfiles/Co-Hort11051.pdf>

Irrigation Efficiency means a measure of the portion of total applied irrigation water beneficially used to satisfy the plants' needs. Losses (non-beneficial use) include runoff and evaporation from wet soil.

Irrigation Method	Irrigation Efficiency
Spray/Rotor (turf, tamarisk)	0.7
Drip (Citrus, nursery plants, palms)	0.8

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

DEVELOPERS POLICY & WATER CREDITS POLICY UPDATES EXPLANATION

Upon returning from Cincinnati to attend the funeral of Laura's mother, Beth Hart called and asked if I would look into two questions that were raised concerning the "Developer's Impact Fee for Water Supply" in the DRAFT developer's policy at the October 24th Board meeting:

- (1) Is it legal for the District to charge such a fee?
- (2) Does the District have any authority to regulate groundwater in the Basin, or is this authority reserved only for the County?

This is what my research turned up:

(1) Is it legal for the District to charge such a fee? Yes. Such a fee is common in California. This was affirmed by the District's financial advisor at Raftelis Financial Consulting and the District's special counsel at Procopio. The technical term used in California for such a fee is "Demand Offset Fee." However, the District's advisors at Raftelis and Procopio recommended that in our specific case this fee be removed from the DRAFT developer's policy and addressed entirely w/ in the context of changes to the District's water credits policy that are tied to the County's updated Groundwater Mitigation Ordinance. The District's General Counsel also believes this is the best way to address this issue.

(2) Does the District have any authority to regulate groundwater in the Basin, or is this authority reserved only for the County?

According to the District's special water law counsel at Downey Brand, the answer is YES. The District has broad authority, through the AB 3030 process, to manage a groundwater basin. Water Code section 10753.9(c) gives the District the authority to limit or suspend groundwater extractions in the area covered by the groundwater management plan if the District has determined, after appropriate study, that "groundwater replenishment programs or other alternative sources of water supply have proved insufficient or infeasible to lessen the demand for groundwater." Water Code section 10754.2 authorizes the District to impose "equitable annual fees and assessments for groundwater management" within the area covered by the groundwater management plan. In combination with Water Code sections 35408 and 35409, which give the District broad authority to commence litigation to protect a groundwater basin, the District has the necessary tools in order to attempt to bring the basin into balance. If the District pursues these types of actions, then it is fulfilling its fiduciary duties. In terms of the development fees, because the District has the authority (under AB 3030) of a water replenishment district, it has broad authority to adopt the types of demand offset fees that the District is describing *provided* that the District makes findings and demonstrates that these fees will lead to an improvement in groundwater conditions.

POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS

(revised November 6, 2012)

This Policy outlines the procedures and obligations for developers, contractors, and owners (hereinafter “developers”) to obtain water and sewer service from the Borrego Water District (hereinafter “District”) to serve a new development and establish the fees, exactions, and charges for the new development. The term "new development" is defined as any residential or commercial development or service requirement 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.

1. Application of Policy

This Policy governs the procedures for the District to handle requests for a commitment for water and sewer service for new developments and sets forth the obligations of the developer to obtain a commitment for water and sewer service. When a developer requests a commitment for water and sewer service for a larger new development, herein defined as any development when built-out that will comprise more than five (5) Equivalent Dwelling Units (EDUs), San Diego County’s threshold for major subdivisions, that may substantially impact the District’s existing water supply capacity and/or sewer treatment capacity or which may require major improvements to the District’s water distribution system and/or to the District’s sewer treatment plant or collection system, such requests shall be considered on a case-by-case basis. This Policy shall serve as a guideline for the consideration of the request for water and sewer service for a larger new development, but the District may modify or add to the provisions of this Policy in making its commitment for water and sewer service for a larger development.

2. Application for Water and Sewer Service

(a) The developer must obtain an Application for Water and Sewer Service from the District. With the Application the developer shall submit a preliminary plat of the development which shall include the number of lots to be served, the type of units to be built within the development, the size of the lots in the development, the estimated build-out of the new development and any other information that will assist the District in determining the water and sewer needs of the new development. In the event the development includes a fire protection system, the Developer shall submit fire protection plans for the development.

(b) The developer must return the completed Application to the District with the information requested in subsection (a). The developer shall provide any other information requested by the District that the District deems necessary to determine the availability of water and sewer service for the development.

(c) When the Application requests water and sewer service for more than 5 EDUs, the developer shall pay an Application Fee as set by the District’s Manager at the time the Application is submitted. For the purposes of this Policy, a Water EDU is equivalent to one single-family residence water use. A Sewer EDU is based on 250 gallons per day for effluent. The Application Fee shall cover the anticipated cost to the District of reviewing the project,

obtaining any engineering report on the feasibility of the water and sewer service requested for the project and making a preliminary determination of the on-site and off-site system improvements necessary to provide the water and sewer service requested. The Application Fee is non-refundable 45 days after the submission of the Application. The Application Fee shall be credited against the Administrative Fee set forth in Section 6(a) of this Policy.

(d) The developer must timely notify the District of any changes in the information submitted with the Application.

(e) When the Application is complete and the Application Fee, if applicable, is paid, the District will determine, with the assistance of the District's engineer if necessary, whether the water and sewer service requested is available and whether any off-site water and sewer system improvements must be made to the District's water and sewer system to properly serve the new development and maintain the current level of water and sewer service to the District's existing customers.

(f) When the District has completed its review, the developer will be notified of the preliminary conclusions of the District as to the feasibility of the water and sewer service requested. The District may then issue a Water and Sewer Availability Letter to the developer. The Water and Sewer Availability Letter may be revoked unless the developer enters into a contract with the District and pays all fees assessed by the District within one hundred twenty (120) days of the date of the Water and Sewer Availability Letter.

3. Conditions on Availability of Water and Sewer Service

(a) In determining whether water and sewer service is available, the District may require that the developer provide an accurate projection of the water demand and sewer treatment needs, by a registered engineer, for the entire development upon the application for the first section or phase of the development.

(b) The District may issue its Water and Sewer Availability Letter with limitations on the maximum amount of water that can be provided to the new development and the maximum amount of wastewater that can be collected and treated for the development. Any maximum limits on water and sewer service for the development shall be included in the water service contract with the developer under Section 4.

4. Water and Sewer Service Contract

(a) Before water and sewer system improvements are installed for the new development, the District, with the assistance of the District's attorney if necessary, will then prepare a contract under which water and sewer service will be provided to the development.

(b) The District may incorporate in the water and sewer service contract the maximum amount of water that can be furnished and the maximum amount of wastewater that can be collected and treated by the District. In the event the developer's demand for water and

sewer service exceeds the developer's projection of demand during the build out of the development, the District shall have no obligation to furnish water or provide wastewater collection and treatment in excess of the amounts set forth in the water and sewer service contract. Any request for water and sewer service in excess of the amounts projected by the developer and included in the Water and Sewer Service Contract shall be treated as a new request for water and sewer service under this Policy.

(c) A Water and Sewer Service Contract cannot be assigned to any successor in interest of the developer without the express written consent of the District.

5. Installation of Improvements

(a) **Cost of Installation.** At its own expense and at no cost and expense to the District, the Developer shall furnish, install, lay and construct all on-site and off-site water and sewer system improvements, including all labor and material, as required by the District to be installed to serve the development, to maintain the current level of water and sewer service to existing customers and to meet the District's plan for the level of service to be made available in the general area of the development. The construction and installation of the water and sewer system improvements shall be in strict accordance with the plans, specifications and requirements approved by the District, its engineer and the State of California. In addition, the developer shall indemnify the District from any loss or damage that may directly or indirectly result from the installation of water and sewer system improvements by the developer.

(b) **Notification of Construction.** The District shall be notified at least forty-eight (48) hours before construction is to begin. Thereafter, the developer shall notify the District of every day during which construction will be in progress in order for the District's inspector to be on the job site during construction.

(c) **Inspections.** All water and sewer system improvement projects shall be subject to inspection during construction and upon completion of the construction by an authorized representative of the District. Inspection may consist of full-time resident inspection or part-time inspection at the sole discretion of the District. The presence or absence of an inspector during construction does not relieve the developer from adherence to approved plans and specifications. Materials and workmanship found not meeting the requirements of approved plans and specifications shall be immediately brought into conformity with said plans and specifications at the developer's expense.

(d) **Final Inspection.** An authorized representative of the District shall make a final inspection of the water and sewer system improvements for the development after completion to determine acceptability of the work. Before this final inspection can be made, the owner, developer or engineer responsible for the project shall notify the District's Manager in writing that the work has been completed in accordance with approved plans and specifications.

(e) **Final Acceptance.** When the water and sewer system improvements pass the District's final inspection, the District will accept ownership of the completed improvements.

The developer shall be responsible for seeing that the person paying the cost of constructing such improvements shall furnish "as-built" drawings to the District at the end of each phase of water and sewer system construction and prior to final acceptance of water and sewer system improvements by the District. The date of final acceptance shall be that date on which the developer has fulfilled all conditions necessary for final acceptance, including passing a final inspection, submitting "as-built" drawings, payment of all fees due, and the placing of all water and sewer system improvements into service by the District. The District will notify the developer in writing of the date of its acceptance of the completed facilities.

(f) "As-Built" Plans. The developer shall provide the District "as-built" plans, by a registered engineer, which shall be drawn at a scale of one inch equals 50 feet and which shall indicate the location and size of all water and sewer system improvements installed for the development. The location of all water and sewer system improvements must be referenced off of two (2) permanent points such as power poles, right-of-way markers, concrete monuments, iron pins at property corners, drainage culverts, and building corners. The water and sewer system improvements shall also be shown in relationship to the edge of all paved surfaces and all other utilities located with 15 feet of either side of the improvements. All utility easements shall be shown in relationship to the improvements. In the event the actual construction differs from the recorded plat of the development, the developer will prepare and record in the Register's Office of San Diego County a revised plat showing the actual construction with the design features stated above clearly shown. The District may delay water and sewer service until this requirement has been met.

(g) Warranty. The developer shall guarantee all work on the water and sewer system improvements it installs for a period of one (1) year from the date of final acceptance and shall immediately correct any deficiencies in the work due to material or workmanship that occurs during the one-year period. The warranty shall be insured by a maintenance bond in the amount specified by the District secured by an irrevocable bank letter of credit or such similar collateral as approved by the District. When a defect is discovered in any water or sewer system improvement under warranty by the developer, the cost of repairing the defect when performed by the District and the damages caused by the defect will be billed to the developer.

(h) Conveyance of Water and Sewer System Improvements. Upon completion of the construction of the water and sewer improvements, upon final approval by the District, and upon the water and sewer system improvements being placed into service, the water and sewer system improvements shall immediately become the property of the District regardless of whether or not a formal written conveyance has been made. The developer and any other persons paying the cost of constructing such improvements shall execute all written instruments requested by the District necessary to provide evidence of the District's title to such improvements, including obtaining any lien releases from the material suppliers and subcontractors of the developer and/or its contractor. The water and sewer system improvements shall become the property of the District free and clear of the claims of any persons, firms, or corporations

6. Assessments and Collection of Fees and Charges:

(a) New Development Administrative Fee. The developer shall pay the District an Administrative Fee to cover the administrative, inspection, engineering, legal and other expenses incurred by the District related to making water and sewer service available to the development. The Administrative Fee shall be paid on or before the execution of the Water Service Agreement and Sewer Service Agreement. For developments which request water and sewer service for more than 5 EDUs (the San Diego County threshold for major subdivisions), the application fee paid under Section 2(c) shall be credited against the Administrative Fee.

(b) New Development Impact Fee for Water Infrastructure (Water Capacity Fee). A Water Capacity Fee shall be paid for every new connection to the District's water system and also by customers who change their meter size to a larger meter, which shall be considered a new connection. Water Capacity Fees are one-time charges assessed for new water customers to recover a proportional share of the capital costs already incurred to provide service capacity to new customers. These charges shall be imposed to fund water system capacity improvement costs reasonably related to new development. Water Capacity Fees shall be paid on or before the execution of the Water Service Agreement. If a customer switches to a smaller meter, no credit for any Water Capacity Fee previously paid will be provided for a smaller meter.

(c) New Development Impact Fee for Sewer and Wastewater Treatment Infrastructure (Sewer Capacity Fee). A Sewer Capacity Fee shall be paid on all new connections to the District's sewer system. Sewer Capacity Fees are one-time charges assessed for new sewer customers to recover a proportional share of the capital costs incurred to provide service capacity to new customers. These charges shall be imposed to fund sewer system infrastructure improvement costs reasonably related to new development. The Sewer Capacity Fee shall be paid on or before the execution of the Sewer Service Agreement.

(d) New Development Connection Fee (Connection Fee). The Connection Fee is based on the actual cost of the materials required for a new meter service. The Connection Fee shall be paid prior to the time actual water and sewer service is established to each new connection. Residential connections using 3/4" or 1" meters shall pay a standard Connection Fee that includes allocated, per connection, direct labor costs, materials, supplies, and equipment expenses and an allowance for indirect costs. All other connections using larger size meters will pay a custom Connection Fee based on the direct and indirect costs and expenses particular to that connection. If a customer switches to a smaller meter, no credit for any Connection Fee previously paid will be provided for a smaller meter

(e) No refunds. The developer shall have no right to recover any fees or charges paid to the District or any right to recover any part of the costs and expenses incurred in installing water system improvements or sewer system improvements for the development.

(f) Schedule of Fees and Charges. A current published schedule of fees and charges, as amended from time-to-time by the District, shall be used to determine the fee amounts assessed for each new development.

7. Approval of Final Plat

The District will not sign a "Final Plat" of the development for submission to the appropriate Planning Commission until the water and sewer system improvements for the development have been constructed, inspected and accepted for use by the District or until a performance bond secured by an irrevocable bank letter of credit issued by a bank with offices in San Diego County, California, or secured by other security specifically approved by the Board of Directors has been posted equal to the estimated cost of all necessary improvements and in favor of the District, the Water and Sewer Service Contract has been fully executed, and all applicable fees have been paid. If the development is not a subdivision, the applicable fees must be paid at the time the contract for water and sewer service is signed.

8. Easements

(a) A minimum exclusive easement twenty (20) feet in width must be conveyed to the District for water and sewer main construction and exclusive easements for other water and sewer system improvements must be conveyed to the District as required by the District. All water and sewer lines that are to become the property of the District are to be located off the public right-of-way and within these exclusive easements on private property. All exceptions are to be specifically approved by the Board of Directors or its delegatee. In all such cases where the Board of Directors or its delegatee approves water or sewer line construction within public rights-of-way, the developer shall obtain consent from the political entity having authority over such rights-of-way for such construction.

(b) The expenses of obtaining, preparing and recording easements needed for water and sewer system improvements for the new development will be paid by the developer, including but without limitation, the consideration paid to the landowner. In the event the District must exercise its power of eminent domain to acquire any such easement, the developer will pay all costs, expenses, appraisal fees, expert fees and damage awards for which the District becomes liable, on demand, including its attorney's fees.

(c) The easement grant must be on such terms and in such form and content as approved by the District.

(d) The developer is responsible for acquiring all such easements for both on-site and off-site water and sewer system improvement construction prior to the commencement of water and sewer system improvement construction.

9. Real Property Acquisition

In the event real property must be acquired for the installation of a water storage tank, a sewer treatment system, a pumping station or other water or sewer system improvement for the development, the expenses of obtaining, preparing and recording the real property will be paid by the developer, including, but without limitation, the consideration paid to the land owner. In the event the District must exercise its power of eminent domain to acquire any such real property, the developer will pay all costs, expenses, appraisal fees, expert fees and damage awards for which the District becomes liable, on demand, including its attorney's fees.

10. Meters

(a) The developer shall pay for all water meters in the development, and the District shall install all residential water meters. The developer or lot owner at their expense shall install commercial water meters, defined herein as any meter greater than one (1) inches.

(b) Each family residence or each duplex or other property shall be served with a separate water meter not smaller than $\frac{3}{4}$ inch in size, except where prior arrangements have been made with the District for apartment complexes, other types of multi-family dwellings, or businesses. In the event an existing water meter serves an apartment complex and/or other business property with units owned and/or occupied by more than one individual, firm, or corporation, the same shall be separated so as to have a meter for each ownership or occupant.

11. Permits

Before beginning construction, the developer or its contractor shall obtain all necessary permits as required by law. Such permits include, but are not limited to, those from State of California and county highway departments and any city in which the development is located.

12. Monthly Charges where Taps have been Installed

(a) After the date of the acceptance of the water and sewer system improvements for a development or for a phase or section of a development, the developer will immediately begin paying the District's monthly dry tap charge for water and/or sewer service or the District's monthly minimum bill for water and/or sewer service set forth in the District's Schedule for Rates and Charges for each EDU for all lots in the development or phase or section of the development until the lot has been sold and the new lot owner begins purchasing water and/or sewer service from the District or begins paying a monthly minimum bill for water and/or sewer service. This monthly dry tap charge or minimum bill shall be paid until more than 50% of the EDUs in the development or phase or section of the development begin purchasing water and/or sewer service from the District or begin paying a monthly minimum bill for water and/or sewer service.

(b) The developer shall include in the restrictive covenants adopted for the development the obligation to pay the District's monthly dry tap charge or minimum bill for water and/or sewer service as set forth in this section and to create a lien in favor of the District

against any individual lot or lots for default in the payment of such charges. The developer agrees to include in the restrictive covenants of the development a provision that allows the District to enforce the lien created by the nonpayment of the dry tap charges or minimum bills. The District shall have the opportunity to review the restrictive covenants and approve the language used in the restrictive covenants for the development before they are submitted to the appropriate Planning Commission, if applicable, for approval and before they are filed with the Franklin or Marion County Register of Deeds.

13. Resolution of Disputes

Any controversy or claim arising out of or relating to this Policy or the Water and Sewer Service Contract, or the breach thereof, shall be submitted to the Board of Directors, which may appoint a subcommittee of the Board to negotiate the controversy or claim. If the Board is unable to resolve the dispute by negotiation, the dispute shall be submitted to a mutually acceptable mediator. Mediation shall be required before either party may proceed to any other method of dispute resolution. Costs for mediation shall be shared equally between the parties. The decision of the mediator shall not be final or binding unless agreed to in writing by the parties. All mediation proceedings, results and documentation, shall be non-binding and inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Code sections 1115 through 1128) unless such admission is otherwise agreed to in writing by both parties. If the parties are unable to resolve the dispute by mediation, the dispute shall next be submitted to arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All water and sewer service contracts shall contain a dispute resolution clause which requires that any controversy or claim arising out of or relating to the Water and Sewer Service Contract, or the breach thereof, shall be settled using the process set forth in this Section 13.

BORREGO WATER DISTRICT

DEMAND OFFSET MITIGATION WATER CREDITS POLICY

(revised November 6, 2012)

1. PURPOSE

The Borrego Valley Groundwater Basin is in a state of overdraft due to the extensive use of groundwater in the Borrego Valley. Due to the overdraft condition, it is the desire of the Borrego Water District (“BWD,” “the District”) to implement a program to encourage the voluntary and immediate cessation and/or reduction of measurable water uses, including, but not limited to, permanent removal of turf and/or permanent fallowing of irrigated farmland (“Water Activity”).

The goal of this Policy is to in a timely manner: (a) to reduce the demand on the upper groundwater aquifer that underlies the Borrego Valley; (b) to provide a mechanism by which new water demands are mitigated in compliance with the California Environmental Quality Act (“CEQA”); and (c) to create incentives for property owners engaged in high water demand activities to be economically motivated to cease or reduce their demand on the Borrego Valley Groundwater Basin, consistent with the objectives of the BWD Groundwater Management Plan (GMP) as adopted by the District in 2001, as subsequently amended and updated.

Additionally, it is the intent of this Policy to be construed in a fashion which will allow for its use not only by the BWD but, through its implementation and application, for it to provide for new water demands to conform with the Groundwater Mitigation Ordinance of the San Diego County Department of Planning and Development Services (“the County”) as revised from time to time and the most current Memorandum of Agreement (“MOA”) between BWD and the County to the maximum extent possible.

Finally, this Policy will create the administrative and technical procedures through which durable mitigation entitlements (water credits) will be established by the District, and provide for the ongoing administrative functions of controlling, monitoring and enforcing the entitlement element of this Policy.

2. DEFINITIONS

- A. AFY: acre-feet of water use per year
- B. Applicant: the owner of real property who applies for one or more Water Credits pursuant to this Policy.
- C. Application: the document by which an Applicant applies for one or more Water Credits pursuant to this Policy.
- D. BWD or District: the Borrego Water District.

- E. CEQA: California Environmental Quality Act.
- F. Conditional Water Credit Certificate: the document issued by the BWD identifying the number of Water Credits an Applicant will receive upon compliance with any and all conditions set forth therein and/or in this Policy, which certificate shall remain valid so long as this Policy remains in effect.
- G. Consumptive Use: the amount of water lost from the groundwater resource due to evapotranspiration (plant use).
- H. County: County of San Diego.
- I. Desertscape: Landscape requiring no irrigation of any kind after an initial period not to exceed two (2) years of watering to establish any planting(s).
- J. Developers: Persons or entities seeking to commence an activity within the boundaries of the BWD that will create new or increased water demand, including, but not limited to, new residential or commercial development and/or expansion of existing uses/developments.
- K. DPDS: San Diego County Department of Planning and Development Services.
- L. EDU or Equivalent Dwelling Unit: The quantity of water calculated by adding (i) the total residential annual water usage (calculated based on a five year average) plus (ii) non profit community benefit annual water usage (which uses comply with Desertscape landscaping standards and are calculated based on a five year average) and dividing the resulting sum by the number of residences served by the District, which quotient is rounded up to the nearest tenth of an acre foot. As of the adoption of this Policy, one EDU equals 1.0 acre foot per year (AFY) or portion thereof and may be recalculated by the District Engineer upon direction of the Board of Directors.
- M. Irrigated Agricultural Land: Land that is currently irrigated for active agricultural use. For purposes of this Policy, "currently irrigated" shall mean irrigated for agricultural use during the preceding twelve (12) month period.
- N. Mitigation Policy: The BWD policy regarding mitigation of impacts of new developments on the Borrego aquifer adopted June 22, 2005 and thereafter amended and further amended and restated in Section 3 hereof.
- O. MOA: Memorandum of Agreement between San Diego County and the Borrego Water District
- P. Property: the real property owned by the Applicant and to be restricted pursuant to this Policy.

Q. Water Activity: one or more measurable water uses, including, but not limited to, irrigated turf and irrigated farmland.

R. Water Credit: a durable mitigation entitlement equal to one acre-foot of water per year (AFY); all Water Credit calculations shall be rounded up to the next highest one-half acre foot. As further defined in Section 4B below, several classes of credits shall be available pursuant to this Policy.

S. Water Credit Certificate: the document issued by the BWD certifying the issuance of one or more Water Credits to an Applicant in conformance with this Policy.

3. MITIGATION POLICY

It is the policy of the BWD that persons or entities seeking to commence an activity within the District that will create a new or increased water demand (“Developers”) must provide one (1) Water Credits for every one (1) EDU or portion of one EDU demand of the proposed use as calculated by the District Engineer, consistent with the provisions hereof. If the Developer can demonstrate compliance with San Diego County’s Groundwater Mitigation Ordinance mitigation policy requirements, then said Developer may apply those offsetting measures as credit towards the BWD Mitigation Policy. Conformance with the District’s Mitigation Policy must be demonstrated prior to the District providing water service and/or a water meter to the new water demand proposed by the Developer, or its successor in interest.

4. WATER CREDITS

Upon compliance with the procedural requirements set forth in Section 5. hereof, the District will issue Water Credits to an Applicant in accordance with the following:

A. Eligible Land. Contiguous irrigated land with an associated consumptive water use of ten (10) acre feet per year and meeting the criteria set forth below is eligible to participate in the program established by this Policy. Based upon the type of Water Credit sought (as defined in Section 4.B., below), either (i) all irrigation of the Property shall be eliminated or (ii) the Applicant shall cause permanent, quantifiable and verifiable reductions of water use on the Property as a condition precedent to issuance of Water Credit(s) pursuant to this Policy.

1. Agricultural Land. To be eligible under this Policy, the Applicant must establish that agricultural land was utilized for legal agricultural operation at the Property prior to April 9, 2003. Property on which agricultural production commenced after April 9, 2003 may be considered eligible under this Policy if the Applicant establishes that the agricultural use was approved by the DPDS or is otherwise demonstrated to have been legally conducted.

2. Turf. To be eligible under this Policy, the Applicant must establish that the Property was irrigated with live turf as of January 1, 2008 and as of the date of Application.

3. Tamarisk. To be eligible under this Policy, the Applicant must establish that tamarisk or other high water use windbreak trees were planted on the Property as of January 1, 2008 and such trees remain alive as of the date of Application.

4. Special. To be eligible under this Policy, the Applicant must establish that the high water use water activity existed on the Property as of January 1, 2008.

B. Water Credit Types. The following types of Water Credits shall be available in accordance with the criteria defined below:

1. Agricultural Credits. Four types of Agricultural Credits will be available under this Policy. The Applicant shall remove any and all tamarisk trees or other high water use windbreak trees located on Property for which an Applicant seeks Agricultural Credits at the time the agricultural use is followed. For all agricultural credit types, seasonal crops, or those on rotation, shall receive credits for the average amount of water used by the crop based on its frequency of planting and water use as determined by the University of California. [For example, if a certain annual crop had a Consumptive Use rate of 3 AFY, and was planted once every three years in rotation, then the Property owner would be eligible to receive one (1) Water Credit per acre certification.]

(a) Agricultural-1 (“AG-1 Credits”). Upon compliance with the requirements of this Policy, AG-1 Credits will be issued for Irrigated Agricultural Land. AG-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Section 4.C.

(b) Agricultural-2 (“AG-2 Credits”). Upon compliance with the requirements of this Policy, AG-2 Credits will be issued for Property that is legally entitled to initiate farming within the constraints of existing permits and policies of the DPDS, and/or other regulatory entities with jurisdiction over agricultural activity on the subject Property. To qualify for AG-2 Credits, the Applicant must:

(i) Establish that as of July 1, 2009, the Property held all necessary approvals to operate an agricultural operation thereon; AND

(ii) Submit an executed Water Credits Agreement to the District within ninety (90) days following adoption of this Policy; AND

(iii) Execute and record with the County Recorder an Exclusive Groundwater Easement (“Easement”) in favor of the District and further complete all actions required pursuant to the Water Credits Agreement within one hundred eighty (180) days of adoption of this Policy. The Easement shall meet the requirements set forth in the MOA between BWD and the County of San Diego, including but not limited to designating the County as a third party beneficiary with the right to enforce the easement.

AG-2 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Section 4.C.

(c) Agricultural-3 (“AG-3 Credits”). Upon compliance with the requirements of this Policy, AG-3 Credits will be issued for Irrigated Agricultural Land that, pursuant to this Policy, is permanently restricted to Desertscape. AG-3 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Section 4.C. Water Credit Certificates for AG-3 Credits will be issued in two phases. A portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District Engineer shall determine the apportionment of credits allocated to each such phase.

(d) Agricultural-4 (“AG-4 Credits”). Upon compliance with the requirements of this Policy, AG-4 Credits will be issued for Irrigated Agricultural Land that, pursuant to this Policy, is permanently restricted to lower water use crop type(s). AG-4 Credits will be issued at a rate to be determined by the District Engineer based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy.

2. Turf.

(a) Turf-1 (“T-1 Credits”). Upon compliance with the requirements of this Policy, T-1 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, has all turf removed and is permanently restricted from all forms of irrigation. T-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Section 4.C.

(b) Turf-2 (“T-2 Credits”). Upon compliance with the requirements of this Policy, T-2 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to Desertscape. Water Credit Certificates for T-2 Credits will be issued in two phases. A portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District Engineer shall determine the apportionment of credits allocated to each such phase.

(c) Turf-3 (“T-3 Credits”). Upon compliance with the requirements of this Policy, T-3 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to quantifiable and verifiable lower water use landscape than the existing use at the time of the Application for Water Credits. T-3 Credits will be issued at a rate to be determined by the District Engineer based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy.

3. Tamarisk.

(a) Tamarisk (“TK Credits”). Upon compliance with the requirements of this Policy, TK Credits will be issued for Property (i) on which live Tamarisk or other high water use windbreaks greater than one (1) foot in diameter are removed and (ii) that is permanently restricted from all forms of irrigation.

4. Special. Special Credits will be assigned to any quantifiable, verifiable and permanent reduction in water use that is confirmed by historic records and determined by the District Engineer to meet the standards of this Policy. The District Engineer shall determine the Water Credits per acre based on the Consumptive Use rates for the applicable vegetation recognized by the State of California and the University of California data, and/or other factors as may be utilized by the District Engineer including assumed return flow rates, effects of cessation of irrigation at the Property on groundwater quality in the Borrego Aquifer, and consideration of the equitable application of this Policy.

C. Number of Credits. The number of water credits for all vegetation types shall be granted based on the annual Consumptive Use for each type of vegetation type as stated in Exhibit B "Assumptions Used to Calculate Water Offset Credits" of the most recent MOA between BWD and the County

5. PROCEDURE

A. The Applicant shall make a written application ("Application") to the District Engineer for issuance of Water Credit Certificates. The Application shall be as set forth in BWD Form 100 and shall be accompanied by:

1. A title report and/or other documentation reasonably acceptable to the BWD evidencing that the Application has been signed by all record owners of the Property, that the water rights in the Property have not been transferred, conveyed or otherwise encumbered and that the condition of title to the Property is not detrimental to the achievement of the purposes of this Policy.

2. A legal description of the Property in a form reasonably acceptable to the BWD.

3. A Right of Entry Agreement (BWD Form 103) permitting the BWD access to the Property to confirm the ongoing, legal, measurable Water Activity and:

(a) Where any Well(s) serving the Property also serve other property held by the Applicant, which other property the Applicant does not intend to restrict,

(i) Access any and all Well(s) on the Property and/or serving the Property for monitoring, metering, testing and/or investigating groundwater levels, quality and related matters;

(ii) Access to the Property to confirm the destruction or removal of any crops, turf or other Water Activity on the Property pursuant to this Policy;

(iii) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or

(iv) Such other provisions as the BWD may reasonably require.

(b) Where the Well(s) serving the Property do not serve any property the Applicant does not intend to restrict,

(i) Access to the Property to install, operate, access and maintain a monitoring well in place of any existing well(s) on the Property;

(ii) Access to the Property to cap, seal or otherwise render inoperable existing well(s) on the Property;

(iii) Access to the Property to confirm the destruction of any crops, turf or other Water Activity on the Property pursuant to this Policy;

(iv) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or

(v) Such other provisions as the BWD may reasonably require.

4. A signed Water Credit Agreement. (BWD Form 101).

5. A certification and administration fee of \$1,000.

B. The BWD shall review the Application and confirm the existence of active, ongoing, legal, measurable Water Activity on the Property. Upon such confirmation, the BWD will issue Conditional Water Credit Certificate(s) setting forth the number of Water Credits to which the Applicant will be entitled upon compliance with this Policy as well as any additional conditions or requirements reasonably imposed by the BWD and identified in the Conditional Water Credit Certificate(s).

C. To convert the Conditional Water Credit Certificates to Water Credit Certificates, the Applicant shall:

(i) Sign and submit to the BWD a Grant of Exclusive Groundwater Easement (BWD Form 102), disengage the pump(s) or otherwise render inoperable any and all well(s) located on the Property, if applicable;

(ii) Complete all crop destruction, turf removal or other action to permanently cease and/or reduce the Water Activity on the Property, as applicable, and notify the BWD in writing of the same;

(iii) Provide a certificate by a licensed land surveyor certifying the net acreage under irrigation on the Property (net acreage shall, for Agricultural land, include roads and exclude buildings);

(iv) Submit a notarized written request by the Applicant stating the name(s) in which the Water Credit Certificate(s) should be issued and the amounts allocated

to each identified person (not to exceed the aggregate total amount awardable pursuant to Section 4.c. hereof for the Property); and

- (v) Submit payment of \$100.00 per Water Credit to the BWD

Upon the BWD's verification of the completion of permanent cessation of the Water Activity and the pump disengagement or otherwise rendering inoperable any and all well(s) located on the Property (where applicable), the BWD shall issue raised-sealed and numbered Water Credit Certificates to the Applicant in amounts pursuant to Section 4.C. hereof.

2. Transfer of Certificates. Upon (i) notarized written request by the recipient of Water Credit Certificates previously issued by the BWD ("Certificate Holder"), (ii) submission of the original Water Credit Certificates to the BWD, and (iii) payment of an administrative fee of \$500 per transaction, the BWD will re-issue Water Credit Certificates to such persons or entities and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by the Certificate Holder) as may be designated by the Certificate Holder.

6. MISCELLANEOUS

A. The BWD recognizes all Water Credit types set forth in Section 4.B. in satisfaction of the BWD's Mitigation Policy. The County of San Diego may recognize some or none of the Water Credit types.

B. The BWD may purchase Water Credits for its own account from time to time, as it deems necessary to create a bank of Water Credits for developments that must comply with the provisions of this Policy. The Board of Directors shall set the price of the Water Credits at the time that the Water Credits are sold.

C. The BWD shall be responsible to monitor and enforce this Policy, including, in addition to the work elements associated with establishing the Water Credits, regularly monitoring meters on wells located on Property subject to a Water Credit Agreement, regularly inspecting Property enrolled in the program established by this Policy to ensure compliance with the terms of all requirements to maintain the Water Credits, and providing updates as to the status of Water Credits to the County, as required.

President of the Board of Directors of
Borrego Water District

Secretary of the Board of Directors of
Borrego Water District

WATER CREDIT TIMELINE

A. ISSUANCE OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(1) At Applicant's discretion	Applicant submits Application Package, including: <ul style="list-style-type: none">• Application (BWD Form 100)• Water Credit Agreement (BWD Form 101)• Right of Entry Agreement (BWD Form 103)• Title report• Administrative fee
(2) 30 days (or more as needed) after (1)	BWD reviews Application Package and confirms active, legal, ongoing, measurable Water Activity and determines whether/what removal or destruction of Water Activity will be required.
(3) Upon Completion of (2)	BWD signs Water Credit Agreement, issues Conditional Water Credit Certificates and notifies Applicant of any special requirements reasonably imposed by BWD and to be met prior to issuance of Water Credit Certificates.
(4) At Applicant's discretion	Applicant signs and submits Grant of Exclusive Groundwater Easement (BWD Form 102) to the BWD. Applicant disengages well(s), as applicable. Applicant removes/destroys Water Activity. Applicant complies with other requirements identified by BWD.
(5)	Applicant pays administrator fee.
(7) Upon confirmation of actions under (4)	BWD issues Water Credit Certificates to Applicant or Applicant's designee identified in a notarized writing ("Certificate Holder").

B. TRANSFER OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(8) At Certificate Holder's discretion	Certificate Holder submits original Water Credit Certificates along with administrative fee and notarized written request to the BWD to reissue the Water Credit Certificates to such persons and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by Certificate Holder) as designated by Certificate Holder.
(9) 10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, voids the same and prepares new Water Credit Certificates per the Certificate Holder's written request.

C. REDEMPTION OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(10) At Certificate Holder's discretion and not less than 30 days prior to County issuance of building permits.	Certificate Holder submits original Water Credit Certificates along with written request to the BWD to redeem the Water Credit Certificates as mitigation for the development specified in the Certificate Holder's written request.
(11) 10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, marks the Water Credit Certificates "REDEEMED," notes the same on the Water Credit Certificate Log and issues a letter to the County identifying the quantity of acre-feet per year redeemed by the Certificate Holder.

APPLICATION FOR WATER CREDIT CERTIFICATE
(BWD Form 100)

Borrego Water District
Board of Directors
PO Box 1870
Borrego Springs, CA 92004

ATTENTION: General Manager

Name: _____

Mailing Address: _____

Phone Number: _____

Assessor's Parcel Number: _____ Acreage: _____

Address of Property: _____
(if applicable)

Crop cultivation:

Date Cultivation Commenced (must be prior to 4/9/03)	Water Activity (crop, turf, etc.)	Area	For BWD Use Only Water Entitlement Quantity
1.	2.	3.	4.
5.	6.	7.	8.
9.	10.	11.	12.
13.	14.	15.	16.

Current Water Provider: _____

I declare under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct of my own personal knowledge.

Name of Applicant*/Agent*

Date

Name of Applicant/Agent

Date

* All legal owners of the property must sign

Agreement for Geohydrologic Consulting Services

This Agreement is entered into as of October 30, 2012 between Borrego Water District hereinafter called "CLIENT" and GEOSCIENCE Support Services, Inc., hereinafter called "CONSULTANT".

TERMS OF AGREEMENT

1. Professional Services

CLIENT engages CONSULTANT to provide professional geohydrologic services as directed by CLIENT, with regard to providing services for On Call Services [See Exhibit A]

2. Time

Time is of the essence in the performance of services under this Agreement. Accordingly, CONSULTANT shall exercise its best professional effort to complete the services to be performed under the terms of this Agreement.

3. Compensation

For the services performed and the costs incurred by CONSULTANT under this Agreement, CLIENT shall make payment in U.S. currency to CONSULTANT. Basis of payment will be on a time and materials basis for the services provided and will be billed as per the attached fee schedule [see Exhibit A]. Maximum amount payable under this agreement is \$20,000.

4. Billings

(A) CONSULTANT shall submit a monthly billing statement to the following address:

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

jerry@borregowd.org

tel: 760/767-5806

This billing statement will indicate the amount due for expenses, including receipts for expenses greater than \$50. CLIENT will make every effort to make payment to CONSULTANT within 30 days of receipt of invoice. Should there be an unreasonable delay in payment by CLIENT, CONSULTANT reserves the right to charge monthly interest of 1.5% to any invoices not paid within a reasonable time period.

5. Insurance

CONSULTANT shall purchase and maintain the insurance required under this paragraph. All insurance shall be maintained continuously during the life of the Agreement and CONSULTANT's Professional Liability Insurance shall be continued in force for three (e) years after completion of the services furnished under this Agreement or until completion of any construction contemplated by this Agreement. CONSULTANT shall furnish CLIENT certificates showing the type, amount, class of operations, effective dates and dates of expiration of policies. It is understood and agreed that CLIENT shall be entitled to notification at least thirty (30) days prior to the expiration of such policies. Failure by the CONSULTANT to maintain insurance coverage as agreed shall be a material breach of this Agreement and will result in termination of this Agreement. The types and amounts of insurance required are as follows:

1	Workers' Compensation	
	State:	Statutory
	Employer's Liability:	\$1,000,000
2	Comprehensive General Liability	
	Bodily Injury and Property Damage Combined Single Limit	\$1,000,000
3	Automobile Liability	
	Bodily Injury and Property Damage Combined Single Limit	\$1,000,000
4	Professional Liability CONSULTANTS' Errors and Omissions	\$1,000,000

6. Indemnification

CONSULTANT shall hold harmless, defend and indemnify CLIENT, and its directors, officers, employees and agents ("Related Persons") from and against all losses, damages, injuries, and liabilities (including reasonable attorneys' fees) ("Losses") arising directly from the negligent acts or omissions, or intentional misconduct, of CONSULTANT or CONSULTANT's subcontractors or Related Persons in connection with CONSULTANT's performance of the Consulting Agreement.

7. Release and Use of Information

Unless otherwise identified by the Agreement Administrator, information provided by CLIENT to CONSULTANT and information developed by CONSULTANT for CLIENT is and shall be deemed to be the work-product of CLIENT. Consequently, CONSULTANT shall not publish any information obtained or produced by it as a result of or in connection with the performance of services under this Agreement, nor make public information releases without the advance written permission of CLIENT, or as required by law.

8. Reuse of Materials

CLIENT agrees that neither CONSULTANT's oral conclusions nor its written reports will be used for any purpose other than that described in this Agreement. CONSULTANT shall not be liable for any use or reliance for any other purpose. CLIENT may revise, change, or correct, and may use, revise, or reuse calculations, drawings, designs, or other documents, or copies of any of them, prepared by CONSULTANT as CLIENT may deem necessary, for any purpose deemed desirable by CLIENT, and CONSULTANT shall not be entitled to additional compensation for such use or reuse. CLIENT agrees to hold harmless, indemnify, and defend CONSULTANT from and against all damages, claims, expenses, and losses arising out of or resulting from any reuse of the plans and specifications without CONSULTANT's written authorization.

9. Termination

This Agreement may be terminated by either party thereto after 10 days' written notice to the other party of such termination. In the event of termination, CONSULTANT shall turn over to CLIENT any property of CLIENT in its possession and any calculations, notes, reports, or other materials prepared by CONSULTANT in the course of performance of this Agreement and shall continue to protect the confidentiality of documents prepared under this Agreement. CLIENT's only obligation in the event of termination shall be payment of fees and expenses incurred up to and including the effective date of termination.

10. Disputes

Any controversy, claim or counterclaim arising out of or relating to this Agreement, the breach thereof, or the services performed by CONSULTANT shall be settled in accordance with the Commercial Arbitration Rules of American Arbitration Association ("AAA"), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction there over. Both parties consent to the jurisdiction of the courts of the State of California for this purpose. The County as determined by the arbitrator. The award shall be binding on all parties thereto, review able only for gross errors of law. In the determination of the award, the arbitrator shall not have authority to consider or grant punitive, exemplary or consequential damages. Notwithstanding the foregoing, either party may pursue the remedy of specific performance of this Agreement, or seek a preliminary or permanent injunction against the breach of this Agreement or in aid of the exercise of any power granted hereunder, or in any combination thereof, in any court having jurisdiction thereof without resort to arbitration.

11. Corporate Obligations

The obligations of CONSULTANT are solely corporate obligations, and no Related Person of CONSULTANT shall be subject to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of any other party to this Agreement or any person relying on CONSULTANT's report.

12. Miscellaneous

No amendment, modification, supplement, termination or waiver of any provision of this Agreement, and no consent to any departure there from, may in any event be effective unless in writing and signed by the parties affected thereby, and then only in the specific instance and specific purpose given. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California. To the extent that any provision, term, sentence, phrase, clause and/or word shall be found to be illegal or unenforceable for any reason, such provision, term, sentence, phrase, clause and/or word of this Agreement shall be modified or deleted in such a manner as to make this Agreement, and the remainder of any affected provision, sentence, etc. so modified, legal and enforceable under applicable laws. This Agreement may be executed in any number of counterparts, each of which when executed by the parties hereto and delivered shall be deemed to be an original, and all such counterparts taken together shall be deemed to be one and the same instrument. This Agreement shall comprise the complete and integrated agreement of the parties hereto and shall supersede all prior agreements, written or oral, on the subject matter hereof. Each and all of the headings contained in this Agreement are for reference purposes only and shall not in any manner whatsoever affect the construction or interpretation of this Agreement or be deemed a part of this Agreement for any purpose whatsoever. This Agreement is not assignable by either party without the other party's consent. This Agreement and the provisions hereof shall be binding upon and inure to the benefit of each of the parties and their permitted successors and assigns.

13. Notices

Any notice or order provided for in this Agreement shall be considered as having been given, if mailed by registered mail, postage prepaid to:

BORREGO WATER DISTRICT

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

jerry@borregowd.org
 tel: 760/767-5806

or,
 CONSULTANT

GEOSCIENCE Support Services, Inc.
 P.O. Box 220
 Claremont, CA 91711
 Attn: Dennis E. Williams, President

dwilliams@geoscience-water.com
 Tel: (909) 451-6650

The parties hereunto have executed the Agreement as of the day and year first written above.

GEOSCIENCE Support Services, Inc.
Mailing Address:
P.O. Box 220
Claremont, CA 91711

Borrego Water District
Mailing Address: 806 Palm Canyon Drive
Borrego Springs, CA 92004

Physical Address:
620 W. Arrow Highway, Suite 2000
La Verne, CA 91750

By _____

By _____

Mr. Dennis E. Williams, Ph.D.

Name: _____

President

Title: _____

GEOSCIENCE Support Services, Inc.

Borrego Water District

Exhibit A – Description of Services

- 1) Provide On-Call Geohydrologic Consulting Services as directed by CLIENT for work related to wells
- 2) Any other on-call geohydrologic services as directed by CLIENT

GEOSCIENCE Support Services, Inc.

FEE SCHEDULE

Schedule of Hourly Rates

Professional Services	Hourly Rates (\$US)
Principal Hydrologist	\$280
Senior Geohydrologist	\$190
Project Geohydrologist	\$155
Senior Staff Geohydrologist	\$125
Staff Geohydrologist	\$115
Graphics and GIS Illustrator	\$105
Clerical	\$85
Reimbursable Expenses	
Reimbursable Project Expenses (Telephone, Outside Reproduction, Presentation Supplies, Postage, etc.)	Cost + 5%
Computer Services	Project Dependent
Internal Photocopying- B&W	\$0.10/page
Internal Photocopying - Color	\$0.70/page
E-Size Color Plates	\$50/Plate
Subconsultant Services	Cost + 10%
Automobile Transportation	Current IRS Allowable Rates
Per Diem at Drilling Site	\$135/day

- 3) Note: Fees valid for January 1 – December 31, 2012. All fees subject to change January 1, 2013

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

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: _____, 2012

By: Beth Hart
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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-120-39-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-41-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-48-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-51-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-52-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-53-00	LEFTO LLC	2011	1st and 2nd	641506
200-140-12-00	LEFTO LLC	2011	1st and 2nd	641506
200-160-30-00	LEFTO LLC	2011	1st and 2nd	641506
200-210-22-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-03-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-04-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-06-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-07-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-15-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-16-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-34-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-37-00	LEFTO LLC	2011	1st and 2nd	641506
200-272-08-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-02-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-03-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-04-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-06-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-07-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-08-00	LEFTO LLC	2011	1st and 2nd	641506
200-274-02-00	LEFTO LLC	2011	1st and 2nd	641506
200-275-08-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-275-09-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-275-10-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-275-11-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-340-01-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-04-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-05-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-06-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-07-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-23-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-53-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-54-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-55-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-56-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-57-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-58-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-59-00	LEFTO LLC	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-340-60-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-61-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-62-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-63-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-64-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-65-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-66-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-67-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-68-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-69-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-70-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-71-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-72-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-73-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-74-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-75-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-79-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-80-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-81-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-82-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-83-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-84-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-85-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-86-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-87-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-88-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-89-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-90-00	LEFTO LLC	2011	1st and 2nd	641506
200-350-24-00	RUSSIAN DAN LLC	2011	1st and 2nd	641506
200-360-17-00	LEFTO LLC	2011	1st and 2nd	641506
200-360-18-00	LEFTO LLC	2011	1st and 2nd	641506
200-370-03-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-04-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-05-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-06-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-07-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-08-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-09-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-10-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-11-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-12-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-13-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-14-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-15-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-16-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-370-17-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-18-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-19-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-20-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-21-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-22-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-23-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-24-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-25-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-26-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-27-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-28-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-29-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-30-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-31-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-32-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-33-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-34-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-35-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-36-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-38-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-01-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-02-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-03-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-04-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-05-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-06-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-07-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-08-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-09-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-10-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-11-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-12-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-13-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-14-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-15-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-16-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-17-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-18-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-19-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-20-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-21-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-22-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-23-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-24-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-390-42-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-43-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-44-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-45-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-46-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-271-21-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-271-22-00	RUSSIAN DAN LLC	2011	1st and 2nd	641506
200-271-23-00	RUSSIAN DAN LLC	2011	1st and 2nd	641506
200-271-24-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-271-29-00	RUSSIAN DAN LLC	2011	1st and 2nd	641506
200-281-10-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-14-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-15-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-20-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-26-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-34-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-283-06-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-283-07-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-283-08-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-18-00	RUSSIAN DAN L L C	2011	1st and 2nd	641506
200-311-37-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-43-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-44-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-45-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-46-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-32-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-33-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-34-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-35-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-36-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-23-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-24-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-27-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-28-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-29-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-33-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-34-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-51-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-76-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-77-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-78-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-79-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-80-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-81-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-350-01-00	RUSSIAN DAN L L C	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-360-10-00	HAUPT KENNETH C TRUST 12-06-91	2011	2nd	641506
200-400-01-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-11-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-12-00	SMITH KENT R REVOCABLE LIVING TRUST	2011	1st and 2nd	641506
200-400-13-00	SMITH KENT R REVOCABLE LIVING TRUST	2011	1st and 2nd	641506
200-400-15-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-16-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-17-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-18-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-19-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-20-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-21-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-22-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-23-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-24-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-29-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-32-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-33-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-34-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-35-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-36-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-37-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-38-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-39-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-40-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-41-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-42-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-43-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-44-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-45-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-46-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-47-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-48-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-49-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-51-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-52-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-53-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-54-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-55-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-56-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-01-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-02-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-04-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-05-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-06-00	MONTESORUS REX L L C	2011	1st and 2nd	641506

EXHIBIT "A"

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-401-08-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-09-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-10-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-11-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-12-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-13-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-14-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-15-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-16-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-17-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-18-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-19-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-20-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-21-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-22-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-23-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-24-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-25-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-26-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-27-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-28-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-29-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-30-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-31-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-32-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-33-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-34-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-36-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-37-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-38-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-39-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-40-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-41-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-42-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-44-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-46-00	MONTESORUS REX L L C	2011	2nd	641506
200-401-47-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-48-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-50-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-51-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-56-00	RUSSIAN DAN L L C	2011	1st and 2nd	641506
200-401-57-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-58-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-60-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-61-00	MONTESORUS REX L L C	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-401-62-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-63-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-64-00	MONTESORUS REX L L C	2011	1st and 2nd	641506

RESOLUTION NO. 2012-11-01

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 Stradling Yocca Carlson & Rauth, 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 _____, 2012.

President of the Board of Directors of Borrego Water District

ATTEST:

Secretary of the Board of Directors
of Borrego Water District

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-120-39-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-41-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-48-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-51-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-52-00	LEFTO LLC	2011	1st and 2nd	641506
200-120-53-00	LEFTO LLC	2011	1st and 2nd	641506
200-140-12-00	LEFTO LLC	2011	1st and 2nd	641506
200-160-30-00	LEFTO LLC	2011	1st and 2nd	641506
200-210-22-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-03-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-04-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-06-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-07-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-15-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-16-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-34-00	LEFTO LLC	2011	1st and 2nd	641506
200-271-37-00	LEFTO LLC	2011	1st and 2nd	641506
200-272-08-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-02-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-03-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-04-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-06-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-07-00	LEFTO LLC	2011	1st and 2nd	641506
200-273-08-00	LEFTO LLC	2011	1st and 2nd	641506
200-274-02-00	LEFTO LLC	2011	1st and 2nd	641506
200-275-08-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-275-09-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-275-10-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-275-11-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-340-01-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-04-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-05-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-06-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-07-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-23-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-53-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-54-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-55-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-56-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-57-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-58-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-59-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-60-00	LEFTO LLC	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-340-61-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-62-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-63-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-64-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-65-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-66-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-67-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-68-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-69-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-70-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-71-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-72-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-73-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-74-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-75-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-79-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-80-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-81-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-82-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-83-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-84-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-85-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-86-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-87-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-88-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-89-00	LEFTO LLC	2011	1st and 2nd	641506
200-340-90-00	LEFTO LLC	2011	1st and 2nd	641506
200-350-24-00	RUSSIAN DAN LLC	2011	1st and 2nd	641506
200-360-17-00	LEFTO LLC	2011	1st and 2nd	641506
200-360-18-00	LEFTO LLC	2011	1st and 2nd	641506
200-370-03-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-04-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-05-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-06-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-07-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-08-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-09-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-10-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-11-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-12-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-13-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-14-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-15-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-16-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-370-17-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-18-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-19-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-20-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-21-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-22-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-23-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-24-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-25-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-26-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-27-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-28-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-29-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-30-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-31-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-32-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-33-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-34-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-35-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-36-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-370-38-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-01-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-02-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-03-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-04-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-05-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-06-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-07-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-08-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-09-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-10-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-11-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-12-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-13-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-14-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-15-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-16-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-17-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-18-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-19-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-20-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-21-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-22-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-23-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-380-24-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-25-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-26-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-27-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-380-28-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-01-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-02-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-03-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-04-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-05-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-06-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-07-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-08-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-09-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-10-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-11-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-12-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-13-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-14-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-15-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-16-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-17-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-18-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-19-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-20-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-21-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-22-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-23-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-24-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-25-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-26-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-27-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-28-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-29-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-30-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-31-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-32-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-33-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-34-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-35-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-36-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-37-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-38-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-39-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-390-40-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-41-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-42-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-43-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-44-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-45-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-390-46-00	FIRST AMERICAN TRUST TR NO 1082-0270-00	2011	1st and 2nd	641506
200-271-21-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-271-22-00	RUSSIAN DAN LLC	2011	1st and 2nd	641506
200-271-23-00	RUSSIAN DAN LLC	2011	1st and 2nd	641506
200-271-24-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-271-29-00	RUSSIAN DAN LLC	2011	1st and 2nd	641506
200-281-10-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-14-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-15-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-20-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-26-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-281-34-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-283-06-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-283-07-00	MONTESORUS REX LLC	2011	1st and 2nd	641506
200-283-08-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-18-00	RUSSIAN DAN L L C	2011	1st and 2nd	641506
200-311-37-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-43-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-44-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-45-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-311-46-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-32-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-33-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-34-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-35-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-312-36-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-23-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-24-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-27-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-28-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-29-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-33-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-34-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-51-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-76-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-77-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-78-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-79-00	MONTESORUS REX L L C	2011	1st and 2nd	641506

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APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-330-80-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-330-81-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-350-01-00	RUSSIAN DAN L L C	2011	1st and 2nd	641506
200-360-10-00	HAUPT KENNETH C TRUST 12-06-91	2011	2nd	641506
200-400-01-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-11-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-12-00	SMITH KENT R REVOCABLE LIVING TRUST	2011	1st and 2nd	641506
200-400-13-00	SMITH KENT R REVOCABLE LIVING TRUST	2011	1st and 2nd	641506
200-400-15-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-16-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-17-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-18-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-19-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-20-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-21-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-22-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-23-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-24-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-29-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-32-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-33-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-34-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-35-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-36-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-37-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-38-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-39-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-40-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-41-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-42-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-43-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-44-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-45-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-46-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-47-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-48-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-49-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-51-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-52-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-53-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-54-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-55-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-400-56-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-01-00	MONTESORUS REX L L C	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-401-02-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-04-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-05-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-06-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-08-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-09-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-10-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-11-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-12-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-13-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-14-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-15-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-16-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-17-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-18-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-19-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-20-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-21-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-22-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-23-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-24-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-25-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-26-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-27-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-28-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-29-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-30-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-31-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-32-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-33-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-34-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-36-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-37-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-38-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-39-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-40-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-41-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-42-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-44-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-46-00	MONTESORUS REX L L C	2011	2nd	641506
200-401-47-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-48-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-50-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-51-00	MONTESORUS REX L L C	2011	1st and 2nd	641506

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

APN	OWNER	ROLL YEAR	INSTALLMENT	FUND NO.
200-401-56-00	RUSSIAN DAN L L C	2011	1st and 2nd	641506
200-401-57-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-58-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-60-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-61-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-62-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-63-00	MONTESORUS REX L L C	2011	1st and 2nd	641506
200-401-64-00	MONTESORUS REX L L C	2011	1st and 2nd	641506



BORREGO WATER DISTRICT

November 14, 2012

To: Board of Directors
From: Kim Pitman
Subject: E-Mailing Water Bills

I contacted Jane Cassity from Datastream Business Solutions in regards to the Board's request to see if water bills could be e-mailed to requesting customers. Her answer was that they are unable to e-mail bills, but they can post the bill on the internet, link it to our website and e-mail the customer that a new bill is available for viewing.

They have written a product that can be integrated with the district's web site called wateraccount.com. A customer may view his account balance, payment history, most recent bill and optionally choose to receive an electronic bill instead of paper.

"Ball Park" cost to set up this system is \$12,000 - \$15,000. There are many components to the project, including nightly data transfer from our system to wateraccount.com, a dedicated secure server hosting wateraccount.com presentation of customer account and billing information, transfer of customer sign-up data from wateraccount.com to our system, and tie-in to our website. The on-going cost for site hosting, security software, data transfer software and support is about \$185 per month.



BORREGO WATER DISTRICT

October 2012

WATER OPERATIONS REPORT

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

System Problems: ID4-WELL 11 Re-Developing well per Engineer's instruction, ID5-Well 5 Shaft bearing failure well out of service.

WASTEWATER OPERATIONS REPORT

Rams Hill Water Reclamation Plant serving ID-1, ID-2 and ID-5 Total Cap. 0.25 MGD (million gallons per day):

Average flow: 64,762 (gallons per day)
Peak flow: 87152 gpd Sunday October 28th

All restaurant grease traps were clean.

System Problems: None.



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

October 2012

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
Jan-11	39.57	8.20	73.97	5.16	126.90
Feb-11	74.20	9.32	109.79	8.68	201.99
Mar-11	58.59	7.84	93.55	8.57	168.55
Apr-11	109.04	11.86	111.39	16.08	248.37
May-11	107.04	13.94	137.00	21.15	279.13
Jun-11	70.10	14.25	123.58	17.21	225.14
Jul-11	70.47	15.98	136.64	17.81	240.90
Aug-11	56.10	16.67	165.82	22.17	260.76
Sep-11	39.01	15.88	131.35	14.81	201.05
Oct-11	34.11	13.61	143.26	20.58	211.56
Nov-11	30.48	11.67	130.27	11.60	184.02
Dec-11	14.63	11.22	83.50	3.12	112.47
Jan-12	14.14	9.99	93.09	3.60	120.82
Feb-12	15.96	9.75	99.64	4.60	129.95
Mar-12	17.01	9.36	87.22	4.73	118.32
Apr-12	13.47	10.86	101.43	6.86	132.62
May-12	20.98	13.34	131.79	8.31	174.42
Jun-12	31.57	13.84	133.24	5.36	184.01
Jul-12	33.18	14.27	135.30	6.36	189.11
Aug-12	42.43	17.76	157.68	6.35	224.22
Sep-12	27.60	12.72	117.15	3.14	160.61
Oct-12	33.21	12.41	122.78	29.77	198.17
Nov-12					
Dec-12					
12 Mo. TOTAL	294.66	147.19	1393.09	93.80	1928.74

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

WATER LOSS SUMMARY (%)

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE AVERAGE
Sep-12	2.24	2.10	-3.65	N/A	0.23
12 Mo. Average	5.12	1.28	11.07	N/A	5.82

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 1
 Month of October 2012

----- Water Production (Acre Feet) -----								
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====
OCT'11	0.00	0.00	0.00	4.52	33.18	10.02	47.72	34.11
NOV'11	0.00	0.00	0.00	11.98	30.17	0.00	42.15	30.48
DEC'11	0.00	0.00	0.00	11.21	14.27	0.37	25.85	14.63
JAN'12	0.00	0.00	0.00	10.81	13.22	0.10	24.13	14.14
FEB'12	0.00	0.00	0.00	10.06	15.31	0.34	25.71	15.96
MAR'12	0.00	0.00	0.00	9.63	15.90	0.84	26.37	17.01
APR'12	0.00	0.00	3.62	10.87	9.73	0.11	24.33	13.47
MAY'12	0.00	0.00	0.13	14.08	20.06	0.05	34.32	20.98
JUN'12	0.00	0.00	2.87	14.49	28.02	0.03	45.41	31.57
JUL'12	0.00	0.00	6.08	11.61	26.17	3.59	47.45	33.18
AUG'12	0.00	0.00	18.07	10.85	24.02	7.25	60.19	42.43
SEP'12	0.00	0.00	3.42	13.39	23.42	0.09	40.32	27.60
OCT'12	0.00	0.00	0.06	11.28	35.72	0.12	47.18	33.21
TOTALS	0.00	0.00	34.25	140.26	256.01	12.89	443.41	294.66
=====	=====	=====	=====	=====	=====	=====	=====	=====

----- Water Use (Acre Feet) -----									
Date	Domestic	Irrigat'n	Constrt'n	Golf Course	ID 3	ID 4	Total	Water Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
OCT'11	10.56	21.97	0.00	0.00	13.61	0.00	46.14	1.58	3.31%
NOV'11	10.61	17.13	0.00	0.00	11.67	0.00	39.41	2.74	6.52%
DEC'11	8.88	4.81	0.00	0.00	11.22	0.00	24.91	0.94	3.59%
JAN'12	7.35	4.79	0.00	0.00	9.99	0.00	22.13	2.00	8.36%
FEB'12	6.74	6.61	0.00	0.00	9.75	0.00	23.10	2.61	10.15%
MAR'12	7.61	7.03	0.00	0.00	9.36	0.00	24.00	2.37	8.98%
APR'12	8.22	5.28	0.00	0.00	10.86	0.00	24.36	- .03	- .11%
MAY'12	9.39	9.97	0.00	0.00	13.34	0.00	32.70	1.62	4.70%
JUN'12	10.58	17.56	0.00	0.00	13.84	0.00	41.98	3.43	7.58%
JUL'12	10.79	21.21	0.00	0.00	14.27	0.00	46.27	1.18	2.47%
AUG'12	13.63	27.13	0.00	0.00	17.76	0.00	58.52	1.67	2.77%
SEP'12	10.87	13.61	0.00	0.00	12.72	0.00	37.20	3.12	7.70%
OCT'12	10.94	21.21	0.00	0.00	12.41	1.56	46.12	1.06	2.24%
TOTALS	115.61	156.34	0.00	0.00	147.19	1.56	420.70	22.71	5.12%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

BORRGO WATER DISTRICT
 Water Production / Use Records
 ID # 3
 Month of October 2012

Date	La Casa del Zorro Total Acre Feet		Deep Well Trail / Others Acre Feet			Total Irrigat'n	Total Domestic	Total Acre Feet
	Irrigat'n	Domestic	Irrigat'n	Domestic	Total			
OCT'11	0.00	0.72	1.35	11.36	12.71	1.35	12.08	13.43
NOV'11	0.00	0.67	1.09	9.17	10.26	1.09	9.84	10.93
DEC'11	0.00	0.68	0.69	10.51	11.20	0.69	11.19	11.88
JAN'12	0.00	0.65	0.78	8.55	9.33	0.78	9.20	9.98
FEB'12	0.00	0.64	1.65	7.94	9.59	1.65	8.58	10.23
MAR'12	0.00	0.65	- .20	9.08	8.88	- .20	9.73	9.53
APR'12	0.00	0.64	0.46	8.81	9.27	0.46	9.45	9.91
MAY'12	0.00	0.62	0.59	12.08	12.67	0.59	12.70	13.29
JUN'12	0.00	0.70	1.21	11.67	12.88	1.21	12.37	13.58
JUL'12	0.00	0.63	0.90	12.47	13.37	0.90	13.10	14.00
AUG'12	0.00	0.55	0.86	15.17	16.03	0.86	15.72	16.58
SER'12	0.00	0.18	0.83	12.24	13.07	0.83	12.42	13.25
OCT'12	0.00	0.20	0.99	10.96	11.95	0.99	11.16	12.15
TOTALS	0.00	6.81	9.85	128.65	138.50	9.85	135.46	145.31

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
OCT'11	13.61	13.43	0.18	1.32%
NOV'11	11.67	10.93	0.74	6.34%
DEC'11	11.22	11.88	-.66	-5.88%
JAN'12	9.99	9.98	0.01	0.10%
FEB'12	9.75	10.23	-.48	-4.92%
MAR'12	9.36	9.53	-.17	-1.82%
APR'12	10.86	9.91	0.95	8.75%
MAY'12	13.34	13.29	0.05	0.37%
JUN'12	13.84	13.58	0.26	1.88%
JUL'12	14.27	14.00	0.27	1.89%
AUG'12	17.76	16.58	1.18	6.64%
SER'12	12.72	13.25	-.53	-4.17%
OCT'12	12.41	12.15	0.26	2.10%
TOTALS	147.19	145.31	1.88	1.28%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of October 2012

----- Water Production (Acre Feet) -----											
Date	Well 2	Well 3	Well 4	Well 5	Well 10	Well 11	Well 18	Wilcox	Well 85	Total	Less ID5
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
OCT'11	0.00	0.00	55.29	25.88	10.53	67.11	5.03	0.00	0.00	163.84	143.26
NOV'11	0.00	0.00	40.36	16.18	11.47	69.54	4.30	0.02	0.00	141.87	130.27
DEC'11	0.00	0.00	12.46	5.25	9.83	56.02	3.06	0.00	0.00	86.62	83.50
JAN'12	0.00	0.00	5.30	5.59	10.57	71.03	4.20	0.00	0.00	96.69	93.09
FEB'12	0.00	0.00	17.01	6.63	11.49	65.00	4.01	0.10	0.00	104.24	99.64
MAR'12	0.00	0.00	46.33	6.57	9.54	26.24	3.27	0.00	0.00	91.95	87.22
APR'12	0.00	0.00	53.20	10.21	10.05	31.54	3.29	0.00	0.00	108.29	101.43
MAY'12	0.00	0.00	59.32	57.53	11.01	1.79	10.45	0.00	0.00	140.10	131.79
JUN'12	0.00	0.00	51.41	44.43	9.67	24.96	8.13	0.00	0.00	138.60	133.24
JUL'12	0.00	0.00	50.47	17.73	8.96	59.32	5.18	0.00	0.00	141.66	135.30
AUG'12	0.00	0.00	56.62	16.64	10.48	75.26	5.03	0.00	0.00	164.03	157.68
SEP'12	0.00	0.00	49.77	22.79	8.64	32.32	6.77	0.00	0.00	120.29	117.15
OCT'12	0.00	0.00	57.69	57.66	11.31	5.96	19.93	0.00	0.00	152.55	122.78
TOTALS	0.00	0.00	499.94	267.21	123.02	518.98	77.62	0.12	0.00	1486.89	1393.09
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
=====	=====	=====	=====	=====	=====
OCT'11	163.84	146.78	17.06	10.41%	20.58
NOV'11	141.87	121.13	20.74	14.62%	11.60
DEC'11	86.62	75.33	11.29	13.03%	3.12
JAN'12	96.69	80.34	16.35	16.91%	3.60
FEB'12	104.24	88.08	16.16	15.50%	4.60
MAR'12	91.95	78.91	13.04	14.18%	4.73
APR'12	108.29	92.49	15.80	14.59%	6.86
MAY'12	140.10	123.13	16.97	12.11%	8.31
JUN'12	138.60	121.98	16.62	11.99%	5.36
JUL'12	141.66	126.38	15.28	10.79%	6.36
AUG'12	164.03	139.07	24.96	15.22%	6.35
SEP'12	120.29	117.34	2.95	2.45%	3.14
OCT'12	152.55	158.12	-5.57	-3.65%	29.77
TOTALS	1486.89	1322.30	164.59	11.07%	93.80
=====	=====	=====	=====	=====	=====

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I was invited to attend the Bloomberg Water Leadership Forum. The forum was held on October 23rd and 24th in San Diego. This meeting was an invite-only gathering of 50 thought-leaders from around the world. The only two regions of the world that were not represented were the Middle East and Southeast Asia (esp. China).

Bloomberg New Energy Finance, a subsidiary of Bloomberg, an \$8 billion financial data services firm, sponsored this first Bloomberg global forum on water leadership. Bloomberg is 95% owned by Michael Bloomberg, the mayor of New York.

A sampling of who attended includes: U.S. national laboratories working on national security issues with respect to water availability; venture capital community representing \$1 billion in funding for water-related technological innovations; pension fund community representing \$10 trillion in investment capital with water infrastructure investment funds; a leading water economics research organization in Europe; Colorado River Basin officials; head of the Western Governors' Association (WGA) task force on water; non-governmental organizations (NGOs) working on global water issues; federal government officials; energy firm officials; global water technology firms, etc.;

The forum operated under Chatham House Rules so I can discuss the general information content of the meeting, but with no attributions (he said this and she said that). That way, the participants were able to discuss the content of studies and reports that have not yet been released for public consumption.

For this meeting summary, I would like to focus on what I learned that is applicable to the Colorado River Basin and to Borrego in particular. Below are a few of the more salient take-aways coming from the discussions at this forum:

- Adequate freshwater supply is a serious national security issue. Freshwater availability is a basic requirement for economic growth. Current supply in the U.S. is inadequate for the projected future growth in freshwater uses for energy production, agriculture, and industrial, commercial and residential uses;
- All sectors of the economy will be required to use substantially less water per output of gross domestic product (GDP). The only means to accomplish this end-use efficiency in a timely fashion is by getting the pricing of water right;

- Electricity producers will be forced to switch to closed-cycle thermal electricity for coal and nuclear-generated electricity and add renewables to their generating portfolios to reduce water use. They will also need to begin paying something for the water that they use;
- The present practices of non-renewable energy producers generates approximately 7 barrels of wastewater for every 1 barrel of oil produced. This wastewater is often heavily contaminated with radioactive particles, heavy metals, and with total dissolved solids (TDS) levels of 200,000 ppm (the USEPA's maximum TDS level for drinking water is 500 ppm). With respect to traditional energy production waste streams, the new requirement is to apply advanced treatment technology to those waste streams for injection and/or for storage ponds, the two places the wastewater ultimately ends up whether or not it is "recycled" (reused);
- For multinational corporations, water risk is becoming an important factor in business decisions. U.S. businesses must reduce their water intensity per GDP value. For example, the water intensity per GDP value of U.S. businesses is 300% greater than that of German businesses;
- Industrial users of water are already investing heavily in wastewater reuse systems. Municipal users are also beginning to invest in wastewater reuse and developing attractive pricing formulas to encourage the rapid growth of recycled water for non-potable uses;
- Globally, both private and public potable water producers are moving to a service delivery model from a commodity distribution model. They are also developing new pricing formulas to accommodate service performance rather than relying only on amount of water sold;
- All users must begin to pay their fair proportionate share of the actual economic costs to supply freshwater for its various uses. For example, the European Union countries moved to full pricing of water ten years ago. The result was an increase in capital that was allocated to improve end-use efficiency in all sectors of the economy. This contrasts with the situation in Borrego where no user pays something for the actual water withdrawn from the basin. All that users in Borrego pay for is pumping and distribution costs, and for potable water uses, treatment costs;
- Without accurate pricing, sufficient investment capital from public and private sources may not be available to accomplish the necessary improvements in end-use efficiency. This is especially important for water scarce regions such as the Colorado River Basin in the U.S.

Capital must be allocated rapidly for this region to improve end-use efficiency. Full cost pricing must be instituted for this investment to occur in a timely fashion. This investment in end-use efficiency is necessary to prevent adverse impacts from climate change to the economies of the 19 western states that make up the Colorado River Basin;

- For the Colorado River Basin, climate change is the game changer. The best estimate is that the Colorado River Basin may be in an overdraft condition for as much as 75% of the time from now through 2050 under presently projected withdrawals due to climate change;
- In the Colorado River Basin, the most immediate need is for more water efficient agriculture. In some other water scarce regions of the world, agriculture uses 80% less water to generate the same GDP value than growers in the Colorado River Basin. Some multinational food processors are shifting their commodity buying away from agricultural producers in water-stressed regions of the world to reduce their water risk;
- What is needed is an immediate increase in transparency, communication and education concerning the real economic cost of water. For some there still is a misperception that water should be “free.” However, water in the U.S. is only “free” because of massive water infrastructure subsidies to the energy, agricultural, industrial, and residential sectors of the economy by national, state, and local governments over the past 100-years. These subsidies for water may be no longer economically feasible in a water-stressed world;
- Silo thinking and short-term fixes will no longer work when it comes to water resource management. Alone, neither the private sector nor the government; markets nor regulations are capable of solving the nation’s emerging water issues. Working together is needed. Integrated regional water management that engages all relevant stakeholders is proving to be a useful tool for sharing knowledge and developing innovative policy initiatives that are supported by the public. Such public support is necessary to move forward in a timely fashion to make the capital investments and water policy changes that are required for sustainable economic growth to continue;
- Capital availability is not the limiting factor. Timely policy innovation and establishing the right price for water are the limiting factors to achieving end-use efficiency improvements to ensure the sustainable growth of regional and national economies.



HOLIDAYS

HOLIDAYS
2013

<i>New Years Day</i>	<i>Tues - 01/01</i>
<i>Martin Luther King Day</i>	<i>Mon - 01/21</i>
<i>Presidents' Day</i>	<i>Mon - 02/18</i>
<i>Cesar Chavez Day</i>	<i>Mon - 04/01</i>
<i>Memorial Day</i>	<i>Mon - 05/27</i>
<i>Independence Day</i>	<i>Thurs - 07/04</i>
<i>Labor Day</i>	<i>Mon - 09/02</i>
<i>Veterans Day</i>	<i>Mon - 11/11</i>
<i>Thanksgiving</i>	<i>11/28 & 11/29</i>
<i>Christmas</i>	<i>Wed - 12/25</i>