

AGENDA
Borrego Water District Board of Directors
Special Meeting
May 13, 2013 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
- E. Approval of Minutes
 - Special meeting of April 10, 2013 (2-3)
 - Special meeting of April 16, 2013 (4-5)
 - Regular meeting of April 24, 2013 (6-8)
- 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:

II. CURRENT BUSINESS MATTERS

- A. Discussion and possible approval of FY 2013-2014 Budget and proposed rate increase. (10-29)
- B. Update on University of California Irvine National Science Foundation Grant

III. STAFF REPORTS

- A. Financial Reports – April 2013 (31-41)
- B. General Manager / Operations Report - verbal
- C. Water and Wastewater Operations Report –April 2013 (42)
- D. Water Production/Use Records – April 2013 (43-46)

IV. ATTORNEY’S REPORT

V. 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. Parks Committee | (Estep, Hart) |
| 7. Asset Ad Hoc Committee | (Hart, M. Brecht) |

VI. INFORMATION ITEMS

Regular meeting of May 22, 2013 is cancelled

VII. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Section 54956.9.
Two cases.

VIII. CLOSING PROCEDURE

The next Special Meeting of the Board of Directors is scheduled for June 18, 2103 at the Borrego Water District.
The next Regular Meeting of the Board of Directors is scheduled for June 26, 2013 at the Borrego Water District.

III. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting was adjourned at 9:15 a.m. The next Special Meeting of the Board of Directors is scheduled for April 16, 2013 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for April 24, 2013 at the Borrego Water District.

**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Tuesday, April 16, 2013
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
 Kim Pitman, Administration Manager
 Wendy Quinn, Recording Secretary

Public: Ray Shindler Dennis Daoast
 Dick Walker Dennis Dickinson
 Mary Delaney John Delaney
 Lucy Larson Bill Bauer
 Malissa McKeith, AAWARE

- D. Approval of Agenda: *MSC: L.Brecht/Estep approving the Agenda as written.*

E. Comments from Directors and Requests for Future Agenda Items: Director Marshal Brecht had been told that a notice of the Town Hall Meeting was not displayed at the Post Office. Kim Pitman assured him that it was.

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

II. CURRENT BUSINESS MATTERS

A. Presentation regarding adjudication by Ray Shindler: Mr. Shindler commended the Board on its thorough investigation of issues relative to the declining aquifer, working with USGS, the Bureau of Reclamation and the IRWMP. They looked at alternatives including a managed basin and importation, but have not explored adjudication. Mr. Shindler suggested that they do so, in consultation with experts. He believed this could be done inexpensively through the Department of Water Resources, BOR, universities or other water districts.

Director Lyle Brecht asked whether Mr. Shindler had talked to other districts that have gone through adjudication, and if so, what led them to do so. Mr. Shindler had contacted a district in Chino, but their situation was nothing like Borrego's and was very complicated. Melissa McKeith noted that an Antelope Valley district was adjudicated when a group of farmers filed suit. Andy Sawyer, an attorney for the State Water Resources Control Board, might be of assistance. Ms. McKeith pointed out that should Borrego opt for adjudication, a court could decide that most of the water should be allocated to the farmers, since they were here first. Jerry Rolwing agreed that adjudication should be the last resort, if we cannot come to a cooperative solution through efforts such as the Borrego Water Coalition. Dennis Dickinson expressed his support for adjudication. Director Estep pointed out that it is very expensive. Mr. Shindler felt

sources of funding could be found, and Director Estep asked him to put his ideas in writing. In response to an inquiry concerning the cost to buy up all agricultural land in Borrego Valley, Mr. Shindler estimated between \$12 and \$25 million.

The Board agreed to investigate the adjudication process provided expert advice could be provided at no cost. Mr. Shindler agreed to explore alternatives.

B. Discussion of proposed budget for FY 2014: Ms. Pitman invited the Board's attention to the draft budget in the Board package. A handout presented scenarios assuming various rate increase levels. It was noted that due to conservation efforts, revenue would be slightly less than the actual increase. Mr. Rolwing reported he had spoken to Lisa Foster and Sanjay Gaur about the possibility of raising rates on the meters in use but not on those on vacant land. They confirmed that Proposition 218 would be required in order to differentiate, but not if the increase or lack thereof is the same for all meters. Director Lyle Brecht asked how much our revenue would decline if the base meter rate was raised 10 percent and the commodity rate 20 percent, as opposed to 20 percent across the board. Director Marshal Brecht estimated \$94,000. Most of the Board members supported a 20 percent increase on everything, but continued to express concern about the meter charges.

Director Lyle Brecht suggested that the budget cover letter include reference to changes in the operations and maintenance and non-operation and maintenance budgets as compared to last year, and the probability that the actual revenue will be less than the rate increase amount based on past history.

Discussion followed regarding the possible refinancing of the COP bonds, and whether the prepayment penalty of two percent on the unpaid principle would be offset by the savings. Director Marshal Brecht pointed out that the District is at least a year away from being credit worthy. Mr. Rolwing noted that USDA would be our best bet for financing, but the refinancing loan would have to be paired 50/50 with another project.

Director Lyle Brecht is compiling a list of items to be addressed in the next Proposition 218 process. Included to date are power pass-through, tier structure, sewer rates, water rates, nonpotable rates and idle meter rates.

Mr. Rolwing reported that Lisa Foster and David Dale had reviewed the proposed engineering contract with Dudek to study the feasibility of providing water to Rams Hill. They had one concern relative to the prohibition on information sharing, since the District already indicated we would share it with Bill Berkley, the potential golf course operator. The contract was returned to Dudek and the District is awaiting a reply.

C. Discussion of potential agenda items for April 24th board meeting: Agenda items for April 24 will include preliminary adoption of the budget and rate increases (final in May), study of potential adjudication, and discussion of participation with the Steele/Burnand Center regarding a National Science Foundation grant concerning water sustainability and climate. Due to Directors' conflicts, it was agreed to have one meeting in May, the 14th, 15th or 17th.

III. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting was adjourned at 11:15 a.m. The next Regular Meeting of the Board of Directors is scheduled tentatively for May 17, 2013.

group associated with the Steele/Burnand Center at the University of California Irvine. They are applying for a grant to study water sustainability and climate, and the Steele/Burnand Center has agreed to serve as the submitting agency. Invited participants include the State Park, Anza Borrego Foundation, BWD and the Borrego Water Coalition. BWD would submit a letter of support. Some expenditure of time would be involved, but no money. **MSC: L.Brecht/Delahay to direct the Strategic Planning Committee to participate with the Steele/Burnand Center in preparing its NSF WSC grant proposal and submit a letter of support at the appropriate time.**

B. Discussion and possible approval of a workshop regarding the costs/benefits of an adjudication process as a means for establishing an authority to manage the Borrego Valley Groundwater Basin led by Thomas Bunn, III, Lagerlof, Senecal, Gosney, & Kruse on Wednesday, June 19th 1:00 PM at the District's offices: Ray Shindler announced that Thomas Bunn, a water attorney specializing in adjudication, is available to address the Board on June 19 at 1:00 p.m. His fee will be paid by a group of interested ratepayers. The Board agreed to schedule the presentation and may consider moving the monthly workshop to that date. Director Lyle Brecht suggested publicizing the event in the Briefs section of the *Borrego Sun*.

C. Preliminary discussion of FY 2014 budget and proposed rate increase: Ms. Pitman explained that the preliminary budget presented today had been discussed at last week's workshop. The Board still needs to decide on the amount of the rate increase. Discussion followed. Director Lyle Brecht noted that some were concerned about increasing the base meter rate by the full 20 percent allowed. If it were increased by 15 percent, revenue would decrease by approximately \$39,000. The Board agreed that the commodity rates would be increased by approximately 19 percent and sewer rates by 13.75 percent in order to build up cash reserves and establish credit. Director Lyle Brecht pointed out that in 2015 we can go through another Proposition 218 process to modify the rate structure. The Board members expressed their views on the meter rate increase, Directors Estep, Marshal Brecht and Lyle Brecht favoring 15 percent; President Hart and Director Delahay favoring 19 percent.

It was agreed that notice of the rate increases would be included in the next billing, and final adoption of the increases and the budget will be considered at the May Board meeting. New rates will be effective July 1 and appear in the August bills. Jan Naragon suggested that the notice be printed in both English and Spanish. Ron Del Guercio suggested that the notice include justification for the increases (need to build up cash reserves and establish credit), and the budget reduction measures that have been implemented. John Peterson emphasized the need for long-term planning.

III. STAFF REPORTS

A. Financial Reports - March 2013: Ms. Pitman offered to answer questions on her written report, included in the Board package.

B. Manager/Operations Report: Mr. Rolwing reported a sewer system failure last Friday. It was repaired quickly and reported to the Regional Board and State as required. Mr. Dale has been designated as a backup contact to Mr. Rolwing in the event this happens again when Mr. Rolwing is out of town, as was the case in this instance.

USA Communications has terminated its antenna site lease, so the District will be losing \$400 per month revenue.

Mr. Rolwing is working with the Regional Board and the County on the Salt Nutrient Management Plan, which relates to septic tanks and agricultural runoff. Mr. Dale will assist. The engineering budget has been increased accordingly. Discussion followed regarding alternatives to cover this cost, including adding \$110,000 to the budget (a bid from Geotech, which will probably not be accepted), an increase in the contingency, or a bid from Mr. Dale.

Director Marshal Brecht suggested a separate line item, and Mr. Rolwing agreed to develop a proposal.

C. Water and Wastewater Operations Report - March 2013:

D. Water Production/Use Records - March 2013:

E. Year to Date Meter Installations:

F. Meter Installation History:

The written reports were included in the Board package.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

No report.

2. Due-Diligence

Director Lyle Brecht reported that the Committee working on water credit pricing and refinancing options.

3. Strategic Planning Committee/IRWM

President Hart reported the Committee had met with the Borrego Water Coalition and was reviewing the RFP for engineering services with Mr. Berkley and other Rams Hill representatives.

4. Executive Committee

No report.

5. Operations & Management Committee

Director Delahay reported that the Committee had considered another solar presentation. The District cannot currently afford it, but prices are coming down. Mr. Rolwing will investigate funding options.

6. Parks Committee

No report.

7. Asset Ad Hoc Committee

No report.

VI. INFORMATION ITEMS

Mr. Peterson asked whether the District had investigated the purchase or surplus solar power. Mr. Rolwing explained that the provider has a contract with San Diego Gas and Electric.

Mr. Peterson inquired about flood control issues with new building permits. Mr. Rolwing replied that the Department of Water and Power is studying the matter. Residential permits are being issued, but not commercial. The Corps of Engineers is working on it, and Mr. Rolwing will follow up.

VII. CLOSED SESSION

A. Public employee discipline/dismissal/release - Reference Government Code § 54957:
The Board adjourned to closed session at 10:25 a.m., and the public meeting reconvened at 10:55 a.m. There was no reportable action.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:55 a.m. The next Regular Meeting of the Board of Directors is scheduled for May 14, 2013 at the Borrego Water District.

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BORREGO WATER DISTRICT

FISCAL YEAR 2013-2014

ANNUAL BUDGET

May 13, 2013

SUBMITTED BY:

**JERRY ROLWING
GENERAL MANAGER**

TO:

BOARD OF DIRECTORS

**BETH HART
PRESIDENT**

**LYLE BRECHT
VICE-PRESIDENT**

**MARSHAL BRECHT
SECRETARY/TREASURER**

**LEE ESTEP
DIRECTOR**

**RAYMOND DELAHAY
DIRECTOR**

**FISCAL YEAR 2013-2014
ANNUAL BUDGET
MAY 13, 2013**

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BORREGO WATER DISTRICT

May 13, 2013

Board of Directors:

This Fiscal Year 2013-2014 consolidated budget was prepared in compliance with the laws of the State of California and reflects the Board of Directors' (Board) goals and priorities and the District's strategic plans by which to achieve these goals and priorities.

The Operations and Management (O&M) and Capital Improvements Projects (CIP) and non-O&M expenses budgets contained in this FY 2014 consolidated budget package represent management's best assessment of a "bare-bones" budget to successfully accomplish the District's goals and priorities for FY 2014. This budget document will be used as a guideline to address the dynamics of the District's operations and the economic challenges of returning the District's present finances to a sustainable state.

The budget shows total revenues for FY 2014 projected to be approximately \$3,428,611. This represents a projected revenues increase of 2% from FY 2013 projected actual revenues. The FY 2014 projected revenues assumes approximate increases in the base water rate of 15%, water commodity rate of 19% and 13.75% for sewer rates from FY 2013. FY 2014 O&M expenses are projected to be approximately \$2,259,946. Non O&M expenses (including CIP costs) for FY 2014 are projected to be approximately \$741,060.

Included in this budget package is the proposed Board Resolution to adopt and approve the FY 2014 budget; a detailed revenue and expense budget; CIP budget with associated justification from the District's consulting engineer; the District's reserves policy; and a cash flow analysis of the proposed rate increases.

Thank you for your consideration.

Sincerely,

Jerry Rolwing
General Manager

BWD BUDGET CASH FLOW 2013-2014

	C	E	AC	AG	AK	AL	AM
1							
2							
3							
4	BWD BUDGET CASH FLOW						
5	2013-2014	ADOPTED	ADOPTED	YTD + PROJ MONTHS>>	4/24/2013	14%	5/13/2013
6		BUDGET	BUDGET	PROJECTED	BUDGET	Water	ADOPTED
7		2011-2012	2012-2013	2012-2013	2013-2014	(Net)	BUDGET
8	REVENUE					Increase	2013-2014
9	WATER REVENUE						
10	Residential Water Sales (Assume no water use on Montesoro GC)	424,312	797,310	734,178	721,798	101,052	822,850
11	Commercial Water Sales	98,000	112,548	103,660	100,354	14,050	114,404
12	Irrigation Water Sales	99,000	134,297	130,766	127,750	17,885	145,635
13	GWM Surcharge	94,000	103,204	92,697	90,096	12,613	102,709
14	Water Sales Power Portion	277,000	331,621	305,230	295,533	41,375	336,908
15	Readiness Water Charge -15% increase	635,000	986,046	947,427	941,263	141,189	1,082,452
16	Readiness Water Charge - Liened properties		0	32,180	35,652	5,348	41,000
17	Meter Installation	40,000	0	4,040	0	0	0
18	Water hook-up charge	0	0	-	0	0	0
19	Reconnect Fees	6,500	11,000	9,180	6,800	0	6,800
20	Backflow Testing/installation	3,300	5,000	4,550	4,575	0	4,575
21	Bulk Water Sales	1,200	3,570	6,535	6,235	0	6,235
22	Penalty & Interest Water Collection	24,000	32,252	13,350	12,197	0	12,197
23	TOTAL WATER REVENUE:	1,702,312	2,516,848	2,383,794	2,342,253	333,512	2,675,765
24							
25	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES						
26	641500 1% Property Assessments	69,080	68,174	64,388	63,179		64,388
27	641502 Property Assess wtr/swr/flid (679 parcels \$66 ea(44,814))	45,000	24,985	24,795	26,821		25,369
28	641502/641503 Prop Assess. (Allowance for bad debt (\$458,909))	0	0	-	0		0
29	641501 Water avail Standby	82,673	78,918	89,025	89,641		89,038
30	641504 ID 3 Water Standby (361 parcels \$37.70 parcel (13,609.7))	13,609	13,609	-	0		0
31	641504 ID 3 Water Standby-(La Casa-2 parcels= \$20,150)	20,150	19,495	35,055	45,821		35,165
32	641503 Pest standby	17,953	14,183	15,444	17,025		15,474
33	TOTAL PROPERTY ASSES/AVAIL CHARGES:	248,465	219,364	228,706	242,487	13.75%	229,434
34						Sewer	
35	SEWER SERVICE CHARGES					Budget	
36	Town Center Sewer Holder's Fees	180,140	180,144	173,351	168,000	Increase	168,000
37	Town Center Sewer User Fees			15,800	37,920		37,920
38	Sewer user Fees	221,400	309,790	278,159	264,000	36,300	300,300
39	Sewer-liened		0	804	3,216		3,216
40	Penalty Interest-Sewer	1,800	1,200	1,090	1,200		1,200
41	Sewer Capacity Fees	12,138	0	-	0		0
42	TOTAL SEWER SERVICE CHARGES:	415,478	491,134	469,204	474,336	36,300	510,636
43							
44	OTHER INCOME						
45	Rent Income-Antilles wireless	7,715	7,715	6,822	4,800		0
46	Annexation Fees	0	0	-	0		0
47	Fire Hydrant Installation	5,000	0	-	0		0
48	Miscellaneous Income (net csd fee/JPIA rebate)	5,000	13,000	8,223	10,320		10,320
49	Administrative Fee-Water Credits	5,000	1,000	-	0		0
50	Gain on asset sold -Sale of Package Plant	1,500	0	36,000	0		0
51	Sale of Clark Dry Lake Property/Communication tower			217,335	0		0
52	Stag Grant	125,000	0	-	0		0
53	Interest Income	1,550	200	146	187		187
54	TOTAL OTHER INCOME:	150,765	21,915	268,525	15,307		10,507
55							
56	TOTAL INCOME:	2,517,020	3,249,262	3,350,229	3,074,383	369,812	3,426,341
57							
58	CASH BASIS ADJUSTMENTS						
59	Decrease (Increase) in Accounts Receivable		0	(31,078)			
60	CC Golf Equipment receivable		2,268	2,269	2,270		2,270
61	Other Cash Basis Adjustments-Coljen LMTD deposit			27,283	0		
62	TOTAL CASH BASIS ADJUSTMENTS:	0	2,268	(1,526)	2,270		2,270
63							
64	TOTAL INCOME RECEIVED:	2,517,020	3,251,530	3,348,703	3,076,653	369,812	3,428,611

BWD BUDGET CASH FLOW
2013-2014

	C	E	AC	AG	AK	AL	AM
4	BWD BUDGET CASH FLOW				4/24/2013	14%	5/13/2013
5	2013-2014	ADOPTED	ADOPTED	YTD + PROJ MONTHS>>	PROPOSED	Water	ADOPTED
6		BUDGET	BUDGET	PROJECTED	BUDGET	(Net)	BUDGET
7		2011-2012	2012-2013	2012-2013	2013-2014	Increase	2013-2014
65	EXPENSES						
66							
67	MAINTENANCE EXPENSE						
68	R & M Buildings & Equipment	110,000	130,000	112,459	130,000		130,000
69	R & M - WWTP	35,000	60,000	35,534	40,000		40,000
70	Telemetry	20,000	15,000	11,904	10,000		10,000
71	Trash Removal	7,500	3,600	3,712	3,655		3,655
72	Vehicle Expense	17,000	12,000	22,083	18,000		18,000
73	Fuel & Oil	38,000	35,000	29,482	33,000		33,000
74	TOTAL MAINTENANCE EXPENSE:	227,500	255,600	215,173	234,655		234,655
75							
76	PROFESSIONAL SERVICES EXPENSE						
77	Accounting (Taussig)	8,000	4,000	1,916	1,500		1,500
78	Administrative Services (ADP/Bank Fees)	4,000	5,000	5,501	6,000		6,000
79	Audit Fees	26,000	26,000	25,963	14,439		14,439
80	Computer billing	12,000	9,000	8,606	9,000		9,000
81	Consulting/Technical	25,000	1,500	166	200		200
82	Engineering	25,000	10,000	4,933	25,200		25,200
83	Legal Services	60,000	10,000	16,165	15,000		15,000
84	Testing/lab work	25,000	28,000	22,006	18,000		18,000
85	Regulatory Permit Fees	45,000	45,000	39,051	42,000		42,000
86	TOTAL PROFESSIONAL SERVICES EXPENSE:	230,000	138,500	124,307	131,339		131,339
87							
88	INSURANCE/INTEREST EXPENSE						
89	ACWA Insurance	102,774	72,000	74,050	73,650		73,650
90	Workers Comp	20,000	19,200	19,005	18,800		18,800
91	Interest-COP 2008/Well 12 Purchase Agreement	194,875	225,072	225,071	219,313		219,313
92	TOTAL INSURANCE/INTEREST EXPENSE:	317,649	316,272	318,126	311,763		311,763
93							
94	PERSONNEL EXPENSE						
95	Board Meeting Expense (board stipend/board secretary)	22,000	9,130	10,225	12,870		12,870
96	Salaries & Wages (gross)	826,918	825,000	878,604	831,000		750,000
97	Taxes on Payroll	32,930	19,251	20,803	19,645		16,000
98	Medical Insurance Benefits	232,733	223,000	219,187	232,839		181,000
99	Calpers Retirement Benefits	178,000	177,240	172,526	193,500		157,200
100	Salaries & Wages contra account	(18,000)	(24,000)	(14,568)	(12,870)		(12,870)
101	Conference/Conventions/Training/Seminars	10,500	7,500	9,358	7,500		7,500
102	TOTAL PERSONNEL EXPENSE:	1,285,081	1,237,121	1,296,134	1,284,484		1,111,700
103							
104	OFFICE EXPENSE						
105	Office Supplies	20,000	18,000	22,913	18,000		18,000
106	Office Equipment/ Rental/Maintenance Agreements	32,500	26,000	30,350	25,400		25,400
107	Postage & Freight	11,000	11,000	12,166	13,000		13,000
108	Taxes on Property	2,291	2,300	2,150	2,150		2,150
109	Telephone/Answering Service	10,700	8,500	7,971	8,400		8,400
110	Bad Debt Collection	4,000	1,000	7,418	720		720
111	Dues & Subscriptions	8,000	5,000	2,455	4,400		4,400
112	Printing, Publications & Notices	5,000	1,500	2,190	747		747
113	Uniforms	7,000	6,500	6,283	7,177		7,177
114	Osha Requirements/Emergency preparedness	7,500	5,000	1,495	4,842		4,842
115	TOTAL OFFICE EXPENSE:	107,991	84,800	95,391	84,836		84,838
116							
117	UTILITIES EXPENSE						
118	Pumping-Electricity	320,000	330,000	319,882	310,393		360,000
119	Office/Shop Utilities	15,000	16,000	16,895	16,875		16,875
120	Cellular Phone	10,000	9,000	9,007	8,777		8,777
121	TOTAL UTILITIES EXPENSE:	345,000	355,000	345,784	336,045		385,652
122				345,784			
123	TOTAL EXPENSES:	2,513,221	2,387,292	2,394,915	2,383,122	2,383,122	2,259,946
124							
125	CASH BASIS ADJUSTMENTS						
126	Decrease (Increase) in Accounts Payable		0	(16,416)			
127	Increase (Decrease) in Inventory		0	22,104			
128	Other Cash Basis Adjustments-Mesquite trails deposit expense			543			
129	TOTAL CASH BASIS ADJUSTMENTS:		0	6,230			
130							
131	TOTAL EXPENSES PAID:	2,513,221	2,387,292	2,401,145	2,383,122	2,383,122	2,259,946
132							
133	NET CASH FLOW (O&M)	3,799	864,237	947,558	693,532		1,168,665

BWD BUDGET CASH FLOW
2013-2014

	C	E	AC	AG	AK	AL	AM
4	BWD BUDGET CASH FLOW				4/24/2013	14%	5/13/2013
5	2013-2014	ADOPTED	ADOPTED	YTD + PROJ MONTHS>>	PROPOSED	Water	ADOPTED
6		BUDGET	BUDGET	PROJECTED	BUDGET	(Net)	BUDGET
7		2011-2012	2012-2013	2012-2013	2013-2014	Increase	2013-2014
134	NON O & M EXPENSES						
135	USGS Basin study (\$69,795 balance)	131,500	131,035	121,169	7,700		7,700
136	GWM Planning Costs - legal	14,000	25,000	14,571	30,000		30,000
137	Integrated Regional Water Management Plan/Staff time	53,000	0	2,695	0		0
138	STAG/LGA Grant/Staff time	40,000	0	923	0		0
139	Viking Ranch Purchase	69,000	0	-	0		69,000
140	Viking Ranch Purchase RESERVE		100,000	-	100,000		100,000
141	GWM/ABD-IRWM Legal Expenses	10,000	0	2,287	0		0
142	Contingency for possible well pump/motor failure	60,000	62,000	133,040	0		0
143	Rams Hill #1 1980 steel needs inside coating, 1.25mg	150,000	200,000	104,590	100,000		100,000
144	800 Tank		0	126,000	0		0
145	Twin Tanks, 1970's-inside coating (rescheduled into 2013-2014)	40,000	0	-	40,000		40,000
146	Pickup	0	15,000	15,500	0		0
147	ID4, Reducing Station design and installation	0	25,000	-	20,000		20,000
148	Fairway Lane pipeline (excludes BWD labor)	0	60,000	60,000	0		0
151	Concrete replacement/Repairs-WWTP		10,000	-	10,000		70,000
152	Rework drying bed material-WWTP		43,000	43,830	0		0
153	Roof replacement for Lugo building/repairs		10,000	10,000	5,000		5,000
154	Pipeline-Country Club Road Booster Sta #3 south to Slash M			-	154,000		154,000
155	Fire Hydrant Replacements			-	12,000		12,360
156	Rewind motors-ID 4-11/ID4-18/ID1-10			-	35,000		35,000
157	ID 1-16 pump and casing cleaning			-	60,000		60,000
158	WWTP-Shredder Cutters/Motor & Gear reducers/return pump			-	28,000		28,000
159	WWTP-Video Collection Lines			-	10,000		10,000
160	WWTP-Sewer vacuum trailer				25,000		0
161	TOTAL NON O&M EXPENSES	596,581	681,035	634,605	636,700	636,700	741,060
162							
163	CASH RECAP						
164	Cash beginning of period	779,356	899,435	899,435	1,120,780	1,212,388	1,212,388
165	Net Cash Flow (O&M)	3,799	864,237	947,558	693,531	1,168,665	1,168,665
166	Total Non O&M Expenses	(596,581)	(681,035)	(634,605)	(636,700)	(741,060)	(741,060)
167	Transfer To/From Reserves	0		0			
168	CASH AT END OF PERIOD	186,574	1,082,637	1,212,388	1,177,611	1,639,993	1,639,993
169	Cash allocated for Viking reserves			(100,000)	(200,000)	(200,000)	(200,000)
170	Coljen LMTD deposit net expenditures			(27,283)			
171	CASH AFTER ALLOCATION FOR RESERVES/DEPOSIT			1,085,105	977,611	1,439,993	1,439,993
172							
173							
174	RESERVES	TARGET	TARGET		TARGET		TARGET
175	Working Capital (3 months)	629,555	600,000		600,000		600,000
176	Contingency (3%)	75,546	72,000		80,000		80,000
177	Asset replacement	114,791	115,000		160,000		160,000
178	Emergency	2,500,000	2,500,000		2,500,000		2,500,000
179	Viking Ranch		100,000		200,000		200,000
180	TOTAL RESERVES	3,319,892	3,387,000		3,540,000		3,540,000

	B	C	D	E	F
4		BWD			
5		INCOME/EXPENSE			
6		CONDENSED BUDGET			
7		2013-2014			
8		Adopted 05/13/13			
9					
10					
11					
12					
13					
14		TOTAL			
15		BUDGET	WATER	ID4-WATER	SEWER
16	REVENUE				
17					
18	Water Sales	2,573,055	1,029,222	1,543,833	
19	GWM Surcharge	102,709	41,084	61,626	
21	1% Property Assessments/641502	64,388	25,755	38,633	
22	Water Availability Standby-Admin-6415-01	165,045	66,018	82,523	16,505
23	Sewer Revenue	510,636			510,636
26	Interest Income	187	64	94	30
31	Other Income	12,590	4,281	6,295	2,014
32	TOTAL PROPOSED INCOME FY 2013:	3,428,611	1,166,424	1,733,003	529,185
34					
35					
36	EXPENSE				
37					
38	Repairs & Maintenance	234,655	79,830	118,607	36,218
39	Professional Services	131,339	44,682	66,386	20,271
40	Insurance	92,450	31,452	46,729	14,269
41	Personnel Expense	766,000	260,595	387,177	118,227
42	Employee Benefits	345,700	117,608	174,735	53,357
43	Office expense	84,838	28,862	42,881	13,094
44	Utilities	385,652	131,200	194,929	59,523
45	Interest Expense-COP 2008	219,313	70,000	149,313	-
46	TOTAL PROPOSED EXPENSE FY 2013:	2,259,946	764,230	1,180,758	314,959
47					
48	NET INCOME (EXPENSE):	1,168,665	402,194	552,245	214,226
49					
50	TOTAL NON O & M EXPENSE:	741,060	\$ 252,111	\$ 374,571	\$ 114,378
51					
52	TOTAL NET CASH FLOW FY 2013:	427,605	150,083	177,674	99,848

MEMORANDUM

DATE: May 13, 2013
TO: Borrego Water District Board of Directors
FROM: Jerry Rolwing, General Manager and David Dale, Dynamic Consulting Engineers, Inc.
Re: Borrego Water District, 5-10 Year Capital Improvement Program (CIP) Justification

This memorandum is to provide detailed information and justification for the proposed CIP for the next ten years. Through a regular maintenance schedule, the infrastructure of the Borrego Water District is in overall good condition. The District is proactive in planning for replacement of known short lived assets and necessary capital improvement projects to increase the useful life and reliability of the system, and reduce the District's risk and overall maintenance costs. This is done through the dedication and experience of the system operators and staff. The District's consulting engineer participated in the preparation of this CIP and Short Lived Assets replacement program.

A CIP will provide many benefits to the District. The CIP will:

- Allow for a systematic evaluation of all potential projects at the same time.
- Provide the ability to stabilize debt and consolidate projects to reduce borrowing costs.
- Serve as a public relations and economic development tool.
- Preserve the District's infrastructure while ensuring the efficient use of public funds.
- Be a tool used for applications for Federal and State grant and loan programs.

Projects included in the CIP were prioritized based on many years of experience and firsthand knowledge of the system and its deficiencies. The anticipated costs for each project were developed based on trends in the market and historical costs to the District. Normal operating expenses (such as office equipment and minor repairs) are not included in the short lived assets program. The CIP includes projects with a value of \$1,000.00 or more.

Justification for the expected expenses in the CIP and Short Lived Assets are as follows:

Short Lived Assets

Wells

This data was compiled from historical repairs to the pumps over a 10 year period. The trends for repairs and replacements of motors and well casing have also been reviewed over the period. The wells are the essential component of the water production operation. When a well fails, the entire distribution system is disrupted. The goal is to properly maintain the equipment on a proactive basis and work for timely, cost effective repairs before failure. Based on historical trends, the numbers provided in the Short Lived Assets are realistic. Staff strives to keep the equipment adequately maintained; however some unexpected failures will undoubtedly arise.

Tanks

The California Department of Health Services requires the District to physically inspect the inside of the domestic water reservoirs every three years. This service is performed by a consultant that utilizes divers and provides a written report as well as a video. There is one steel reservoir that is equipped with cathodic protection that presently needs resurfacing. One of our five bolted steel (galvanized) tanks will need inside coating in this year. As internal inspections warrant, tanks will be coated in future years. We have two (one domestic and one irrigation) reservoirs that are fitted with a hyperlon bladder. These bladders need periodic replacements and the costs are based on previous installations. The remaining six reservoirs were constructed with galvanized metal which historically has proven to be compatible with the constituents in our local groundwater.

Booster Stations

This data was compiled from historical repairs and anticipated replacement costs.

Wastewater Plant

The costs associated with the wastewater operations are based on historical records and anticipated repairs by the wastewater treatment plant operator who has been with the District for 25 years. In order to maintain infrastructure integrity, a ten year program is included to re-build the concrete facilities that are showing sign of deterioration from the harsh desert climate over the past 25 years. We have also included a project to video the sewer collection mains in years three and five. There are no provisions for reclaiming water (tertiary treatment) in this plan since that is based solely on population expansion to justify the change in operation.

Equipment

These costs are based on normal wear and tear on District vehicles and equipment.

Capital Improvement Program (CIP)

Capital Improvement Projects include Wells, Booster Stations, Reservoirs and Associated Transmission Mains

These are expected major capital improvement items that are anticipated to be required in the next ten year period. These costs do not account for unanticipated population growth or decline.

Wastewater Plant

These costs are associated with the upgrading of existing infrastructure while following the provisions of the Regional Water Quality Control Board Order.

Pressure Reducing Stations

These are estimated expenditures based on past and future studies regarding the distribution system.

Pipelines

The distribution system requires continual upgrades to avoid pipeline breaks and associated damages from negligence. The list of future projects was compiled with staff and engineering assistance and represents the anticipated pipeline improvements to alleviate any future problems with high pressures currently experienced within the distribution system.

Other Infrastructure

Over time, fire hydrants fail and require replacement. Some of the older hydrants in the system are constructed with inferior material as compared to today's standards and a regular replacement program is needed.

Groundwater Management

Included in the budget are scheduled payments for the Viking Ranch following project. The payment plan calls for payments of \$270,750 in fiscal year 2015-2016, \$224,936 in fiscal year 2016-2017, and quarterly payments of \$20,228.82 over the following 25 years.

4/9/13

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

Mr. Rolwing:

I have reviewed the proposed Capital Improvement Program for the next ten years and concur that the projects identified in the schedule are the most pressing physical infrastructure needs of the District at this time. The estimated costs (in 2013 dollars) of these improvements are reasonable for planning purposes.

If you have any questions please contact me.

Regards,



David Dale, PE, PLS
Contract Engineer

CAPITAL IMPROVEMENT PROGRAM - SHORT LIVED ASSETS FISCAL YEAR ENDING 2014 THROUGH 2024

BORRERO WATER DISTRICT

	A										
	B	C	D	E	F	G	H	I	J		
	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr	9 yr		
1 Wells											
2 ID1-1, replace 40 Hp submersible pump, clean casing											
3 ID1-2, replace 40 Hp submersible pump											
4 ID1-8, 125 Hp, rewind motor in yr 2, 8 pump and casing cleaning in yr 6	\$ 10,000		\$ 10,000		\$ 40,000		\$ 11,800		\$ 17,700	\$ 59,000	
5 ID1-10, 150 Hp, rewind motor in yr 1, 7 pump and casing cleaning in yr 3, 9		\$ 15,000	\$ 50,000	\$ 60,000					\$ 74,400		
6 ID1-12, 200 Hp, rewind motor in yr 2, 8 pump and casing cleaning in yr 4, 10	\$ 60,000			\$ 20,000					\$ 20,000		
7 ID1-16, 300 Hp, pump and casing cleaning in yr 1, 8 rewind motor in yr 5, 10											
8 Wilcox Diesel drive											
9 ID4-4, 150 Hp, rewind motor in yr 2, 7 pump and casing cleaning in yr 6, 9		\$ 10,000	\$ 10,000	\$ 50,000			\$ 11,500		\$ 11,500	\$ 57,500	
10 ID4-10, replace 30 Hp submersible yr 3 and yr 8	\$ 15,000					\$ 17,250	\$ 60,000				
11 ID4-11, 200 Hp, rewind motor	\$ 10,000	\$ 40,000		\$ 11,500			\$ 46,000				
12 ID4-18, 100 Hp, rewind motor in yr 1, 6 pump and casing cleaning in yr 2, 7	\$ 15,000	\$ 15,000		\$ 60,000			\$ 17,250				
13 ID5-5, 200 Hp, rewind motor in yr 2, 7 pump and casing cleaning in yr 5, 10											
14											
15 Tanks											
16 Rams Hill #1, 1980 steel, needs inside coating, 1.25 MG*	\$ 100,000										
17 Rams Hill #2, 1980 galv. 0.44 MG, repairs				\$ 40,000							
18 800 Tank, Hyperlon .75 MG											
19 Reclaim #1, 1985, galv repaired 2010 0.4 MG											
20 Reclaim #2, Hyperlon 2007, 1 MG, reconfigure plumbing											
21 Indianhead, 1970's 1-0.22MG, inside coating			\$ 40,000								
22 Twin Tanks, 1970's 2-0.22 MG, inside coating #1 in yr 1, #2 in yr 4	\$ 40,000			\$ 43,600						\$ 100,000	
23 Country Club, 1999 1.0 MG											
24											
25 Booster/Pressure Reducing Sta.											
26 ID1, Booster Sta. 1, #1, 30 Hp, motor yr 2, pump yr 6	\$ 4,000					\$ 6,000					
27 ID1, Booster Sta. 1, #2, 30 Hp, motor yr 3, pump yr 7	\$ 4,000						\$ 6,000				
28 ID1, Booster Sta. 1, #3, 50 Hp, motor yr 4 pump yr 8			\$ 4,000	\$ 15,000			\$ 6,000		\$ 15,000		
29 ID1, Booster Sta. 2, #4, 30 Hp, motor yr 2, pump yr 5											
30 ID1, Booster Sta. 2, #5, 30 Hp, pump yr 3, motor yr 4											
31 ID1, Booster Sta. 2, #6, 50 Hp, motor yr 2, pump yr 8											
32 ID4, Booster Sta. 3, #7, 25 Hp, motor yr 2, 8 pump yr 6, 10	\$ 4,000					\$ 9,000		\$ 4,720			
33											
34 Wastewater Plant											
35 Shredder Cutters	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	\$ 7,164	\$ 7,379	\$ 7,601		
36 Motor and Gear Reducers for Brushes	\$ 16,000				\$ 17,920				\$ 20,070		
37 Wastewater Return Pump	\$ 6,000				\$ 6,720				\$ 7,526		
38 Surface Aerator Motor			\$ 4,500								
39 Video Collection Lines	\$ 10,000	\$ 10,600	\$ 11,236	\$ 11,910					\$ 12,625		
40											
41 Equipment											
42 Sewer Vacuum Trailer	\$ 25,000										
43 Tractor repair/roadwork blade											
44 Backhoe			\$ 80,000					\$ 92,000		\$ 25,000	
45 Pickups		\$ 50,000	\$ 25,000	\$ 26,500	\$ 56,000	\$ 28,090					
46 Big Truck											
47 Misc. Equipment											
48 Computers/Office Equipment		\$ 10,000	\$ 10,600	\$ 10,600	\$ 11,200	\$ 11,872					
49											
50 SHORT LIVED ASSETS REPLACEMENT PROGRAM	\$ 273,000	\$ 179,180	\$ 240,465	\$ 185,756	\$ 189,129	\$ 157,906	\$ 199,714	\$ 259,746	\$ 289,322		

BORREGO WATER DISTRICT
POLICY STATEMENT

SUBJECT: CASH RESERVES POLICY

NO: 2011-05-01

ADOPTED: 2011-05-25

AMENDED:

I. BACKGROUND AND INTRODUCTION

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

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

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

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

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

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

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

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

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

III. BOARD RESTRICTED RESERVES

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

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

Capital Reserves

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

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

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

	A	E	F	G	H
1	BORREGO WATER DISTRICT				
2	FOUR YEAR NET INCOME/ WORKING CAPITAL PROJECTION	Projected	Projected	Projected	Projected
3		FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
4	Prop 218 Approved Revenue Increases	20%	10%	5%	0%
5	Projected Water Revenue Increase-commodity	19%	10%	5%	0%
6	Expected Water Revenue Increase-commodity	14%	8%	4%	0%
7	Projected/Expected Water Revenue Increase-base	15%	0%	0%	0%
8	Projected/Expected Sewer Revenue Increase	13.75%	5%	5%	0%
9	Existing Water Rate Revenue -commodity	\$ 1,335,531	\$ 1,522,505	\$ 1,644,306	\$ 1,710,078
10	Existing Water Rate Revenue -base	\$ 976,915	\$ 1,123,452	\$ 1,123,452	\$ 1,123,452
11	Additional Water Revenue-commodity	\$ 186,974	\$ 121,800	\$ 65,772	\$ -
12	Additional Water Revenue-base	\$ 146,537	\$ -	\$ -	\$ -
13	Existing Sewer Rate Revenue	\$ 264,000	\$ 300,300	\$ 315,315	\$ 331,081
14	Additional Sewer Revenue	\$ 36,300	\$ 15,015	\$ 15,766	\$ -
15	Other non variable Income	\$ 482,353	\$ 482,353	\$ 482,353	\$ 482,353
16	Total Revenue (/w Other Rev.)	\$ 3,428,611	\$ 3,565,426	\$ 3,646,964	\$ 3,646,964
17					
18	O&M Expenses	\$ 2,040,633	\$ 2,040,633	\$ 2,040,633	\$ 2,040,633
19					
20	Net Revenue	\$ 1,387,978	\$ 1,524,793	\$ 1,606,331	\$ 1,606,331
21					
26	CIP Financing				
27	Cash CIP (without Viking reserve)	\$ 741,060	\$ 385,876	\$ 622,130	\$ 584,269
28	Debt CIP	\$ -	\$ -	\$ -	\$ -
29	**Existing Debt Service				
30	ID 4 Bonds	\$ 149,313	\$ 255,713	\$ 254,525	\$ 253,113
31	Well 12	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
32	Viking Ranch	\$ -	\$ -	\$ 270,750	\$ 224,936
33					
34	Total Debt Service	\$ 219,313	\$ 325,713	\$ 595,275	\$ 548,049
35					
36	Net Annual Cash Flow	\$ 427,605	\$ 813,204	\$ 388,926	\$ 474,013
37					
38	Beginning Reserves Level	\$ 1,212,388	\$ 1,639,993	\$ 2,453,197	\$ 2,842,123
39	Ending Reserves Level	\$ 1,639,993	\$ 2,453,197	\$ 2,842,123	\$ 3,316,136
40					
41					
42	**EXISTING DEBT SERVICE	PRE-PAYMENT	ANNUAL	PRE-PAYMENT	
43		PENALTY ON BAL	PAYMENT	DISCOUNT	
44	ID 4 COP BONDS	2% to 4/1/2018	AVG \$260,000		
45		1% to 4/1/2019			
46	WELL 12 NOTE	NONE	\$ 70,000		
47	VIKING RANCH	NONE	\$ 80,915.28	\$ 300,000	pay off before 07/08/16

**BORREGO WATER DISTRICT
RATES FOR
FISCAL YEARS 2014-2016**

Sewer Rates

The District provides sewer service to areas 1, 2 and 5. Rate increases could possibly take place in areas 1 & 5 through FY 2016. The District's monthly sewer charges are based on one equivalent dwelling unit (EDU) usage of 250 gallons per day, for a typical single family residence. Commercial projected EDU requirements are determined on a case-by-case basis. Sewer customers are charged a fixed monthly holder fee and a monthly user fee based on number of EDU's. It is proposed that this current structure for sewer charges remain unchanged. The Board of Directors may consider changes to this basic rate structure at a later date.

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

	Current Rates FY 2013	FY 2014 19% Adopted	FY 2015 Projected	FY 2016 Projected
Sewer Area 1	\$ 26.75	\$ 30.43	\$ 31.96	\$ 33.56
Sewer Area 5	\$ 49.92	\$ 56.79	\$ 59.63	\$ 62.62

Water Rates

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

Fixed water meter charges are proposed to change as shown in the following table:

Meter size	Current Rates FY 2013	FY 2014 15% Adopted	FY 2015 Projected	FY 2016 Projected
¾"	\$ 30.54	\$ 35.12	\$ 40.04	\$ 42.04
1"	\$ 44.66	\$ 51.36	\$ 58.53	\$ 61.45
1 ½"	\$ 75.29	\$ 86.58	\$ 98.69	\$103.62
2"	\$113.97	\$131.07	\$149.38	\$156.85
3"	\$206.97	\$238.02	\$271.30	\$284.86
4"	\$329.94	\$379.43	\$432.50	\$454.12
6"	\$658.32	\$757.07	\$862.95	\$906.10

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

Winter	Current Rates FY 2013	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected
Tier1 < 45	\$ 1.76	\$ 2.09	\$ 2.30	\$ 2.42
Tier 2 >45	\$ 2.63	\$ 3.14	\$ 3.46	\$ 3.64

Summer	Current Rates FY 2013	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected
Tier1 < 55	\$ 1.76	\$ 2.09	\$ 2.30	\$ 2.42
Tier 2 >55	\$ 2.63	\$ 3.14	\$ 3.46	\$ 3.64

Other Rates and Fees

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

Pass Through Costs

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

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BWD CASH FLOW 2012-2013

	C	D	AC	AD	AE	AF	AG	AI	AJ
1									
2									
3									
4	BWD CASH FLOW								
5	2012-2013		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED
6			BUDGET	APRIL	APRIL	YTD	PROJECTED	MAY	JUNE
7			2012-2013	2013	2013	2012-2013	2012-2013	2013	2013
8	REVENUE								
9	WATER REVENUE								
10	Residential Water Sales (Assume no water use on Montezoro GC)		797,310	65,807	53,418	576,001	734,178	71,198	86,978
11	Commercial Water Sales		112,548	9,781	7,736	85,847	103,660	9,292	8,521
12	Irrigation Water Sales		134,297	7,957	5,844	107,932	130,766	9,803	13,032
13	GWM Surcharge		103,204	8,101	6,448	74,665	92,697	8,830	9,202
14	Water Sales Power Portion		331,621	26,735	21,140	246,375	305,230	28,802	30,053
15	Readiness Water Charge -15% increase		986,046	80,651	81,000	785,427	947,427	81,000	81,000
16	Readiness Water Charge - Liened properties		0	3,221	3,252	25,676	32,180	3,252	3,252
17	Meter Installation		0	4,040	0	4,040	4,040	0	0
18	Water hook-up charge		0	0	0	-	-	0	0
19	Reconnect Fees		11,000	680	1,360	8,500	9,180	680	0
20	Backflow Testing/installation		5,000	0	0	4,550	4,550	0	0
21	Bulk Water Sales		3,570	0	482	4,965	6,535	1,470	100
22	Penalty & Interest Water Collection		32,252	1,127	1,000	11,350	13,350	1,000	1,000
23	TOTAL WATER REVENUE:		2,516,848	208,101	181,680	1,935,329	2,383,794	215,327	233,138
24		<u>Receivables</u>							
25	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 05/07/13							
26	641500 1% Property Assessments	3,940	68,174	15,990	15,990	55,240	64,388	7,882	1,267
27	641502 Property Assess wtr/swr/flid (679 parcels \$66 ea(44,814))	28,991	24,985	1,650	1,650	18,528	24,795	5,340	927
28	641502/641503 Prop Assess. (Allowance for bad debt (\$459,909))	675,876	0	0	0	-	-	0	0
29	641501 Water avail Standby	23,327	78,918	5,292	5,292	70,537	89,025	14,332	4,156
30	641504 ID 3 Water Standby (361 parcels \$37.70 parcel (13,609.7))	0	13,609	0	0	-	-	0	0
31	641504 ID 3 Water Standby-(La Casa-2 parcels= \$20,150)	3,447	19,495	1,046	1,046	32,310	35,055	2,254	490
32	641503 Pest standby	17,865	14,183	2,063	2,063	12,324	15,444	2,597	523
33	TOTAL PROPERTY ASSES/AVAIL CHARGES:	753,447	219,364	26,040	26,040	188,939	228,706	32,405	7,362
34									
35	SEWER SERVICE CHARGES								
36	Town Center Sewer Holder's Fees		180,144	14,274	14,200	144,951	173,351	14,200	14,200
37	Town Center Sewer User Fees			3,160	3,160	9,480	15,800	3,160	3,160
38	Sewer user Fees		309,790	22,547	22,000	234,159	278,159	22,000	22,000
39	Sewer-liened		0	0	268	268	804	268	268
40	Penalty Interest-Sewer		1,200	0	100	890	1,090	100	100
41	Sewer Capacity Fees		0	0	0	-	-	0	0
42	TOTAL SEWER SERVICE CHARGES:		491,134	39,981	39,728	389,748	469,204	39,728	39,728
43									
44	OTHER INCOME								
45	Rent Income-Antilles wireless		7,715	0	400	6,822	6,822	0	0
46	Annexation Fees		0	0	0	-	-	0	0
47	Fire Hydrant Installation		0	0	0	-	-	0	0
48	Miscellaneous Income (net csd fee/JPIA rebate)		13,000	124	120	7,983	8,223	120	120
49	Administrative Fee-Water Credits		1,000	0	0	-	-	0	0
50	Gain on asset sold -Sale of Package Plant		0	0	0	36,000	36,000	0	0
51	Sale of Clark Dry Lake Property/Communication tower		0	0	0	217,335	217,335	0	0
52	Stag Grant		0	0	0	-	-	0	0
53	Interest Income		200	20	28	124	146	11	11
54	TOTAL OTHER INCOME:		21,915	145	548	268,263	268,525	131	131
55									
56	TOTAL INCOME:		3,249,262	274,266	247,995	2,782,279	3,350,229	287,591	280,359
57									
58	CASH BASIS ADJUSTMENTS								
59	Decrease (Increase) in Accounts Receivable		0	(37,837)		(31,078)	(31,078)		
60	CC Golf Equipment receivable		2,268	189	189	1,891	2,269	189	189
61	Other Cash Basis Adjustments-Coljen LMTD deposit			(1,192)		27,283	27,283		
62	TOTAL CASH BASIS ADJUSTMENTS:		2,268	(38,840)	189	(1,904)	(1,526)	189	189
63						(1,904)			
64	TOTAL INCOME RECEIVED:		3,251,530	235,426	248,184	2,780,375	3,348,703	287,780	280,548

BWD CASH FLOW 2012-2013

	C	D	AC	AD	AE	AF	AG	AI	AJ
4	BWD CASH FLOW								
5	2012-2013		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD * PROJ MONTHS>>	PROJECTED	PROJECTED
6			BUDGET	APRIL	APRIL	YTD	PROJECTED	MAY	JUNE
7			2012-2013	2013	2013	2012-2013	2012-2013	2013	2013
65	EXPENSES								
66									
67	MAINTENANCE EXPENSE								
68	R & M Buildings & Equipment		130,000	8,800	10,000	93,753	112,459	10,500	8,206
69	R & M - WWTP		60,000	2,120	5,000	25,534	35,534	5,000	5,000
70	Telemetry		15,000	4,929	2,000	9,904	11,904	1,000	1,000
71	Trash Removal		3,600	287	300	3,112	3,712	300	300
72	Vehicle Expense		12,000	1,636	500	21,083	22,083	500	500
73	Fuel & Oil		35,000	0	3,400	24,199	29,482	2,300	2,983
74	TOTAL MAINTENANCE EXPENSE:		255,600	17,771	21,200	177,584	215,173	19,600	17,989
75									
76	PROFESSIONAL SERVICES EXPENSE								
77	Accounting (Tausig)		4,000	0	0	416	1,916	1,500	0
78	Administrative Services (ADP/Bank Fees)		5,000	460	420	4,667	5,501	420	414
79	Audit Fees		26,000	0	0	21,150	25,963	4,813	0
80	Computer billing		9,000	0	1,367	6,656	8,606	650	1,300
81	Consulting/Technical		1,500	0	0	166	166	0	0
82	Engineering		10,000	0	500	3,833	4,933	500	600
83	Legal Services		10,000	0	300	15,565	16,165	300	300
84	Testing/lab work		28,000	3,840	3,450	15,753	22,006	3,600	2,654
85	Regulatory Permit Fees		45,000	(83)	700	33,051	39,051	3,000	3,000
86	TOTAL PROFESSIONAL SERVICES EXPENSE:		138,500	4,217	6,737	101,256	124,307	14,783	8,268
87									
88	INSURANCE/INTEREST EXPENSE								
89	ACWA Insurance		72,000	32,874	30,022	74,050	74,050	0	0
90	Workers Comp		19,200	0	0	14,205	19,005	0	4,800
91	Interest-COP 2008/Well 12 Purchase Agreement		225,072	0	0	225,071	225,071	0	0
92	TOTAL INSURANCE/INTEREST EXPENSE:		316,272	32,874	30,022	313,326	318,126	0	4,800
93									
94	PERSONNEL EXPENSE								
95	Board Meeting Expense (board stipend/board secretary)		9,130	1,855	1,200	7,825	10,225	1,200	1,200
96	Salaries & Wages (gross)		825,000	116,293	68,750	751,104	878,604	63,750	63,750
97	Taxes on Payroll		19,251	1,943	1,100	18,823	20,803	1,000	980
98	Medical Insurance Benefits	+8% Jan-June 2014	223,000	18,842	18,747	181,693	219,187	18,747	18,747
99	Calpers Retirement Benefits		177,240	14,753	15,000	144,526	172,526	14,000	14,000
100	Salaries & Wages contra account		(24,000)	(4,449)	(1,200)	(12,168)	(14,568)	(1,200)	(1,200)
101	Conference/Conventions/Training/Seminars		7,500	203	150	9,058	9,358	150	150
102	TOTAL PERSONNEL EXPENSE:		1,237,121	149,442	103,747	1,100,860	1,296,134	97,647	97,627
103									
104	OFFICE EXPENSE								
105	Office Supplies		18,000	3,718	1,000	20,913	22,913	1,000	1,000
106	Office Equipment/ Rental/Maintenance Agreements		26,000	2,991	1,600	27,150	30,350	1,600	1,600
107	Postage & Freight		11,000	2,000	2,000	10,166	12,166	0	2,000
108	Taxes on Property		2,300	0	0	2,150	2,150	0	0
109	Telephone/Answering Service		8,500	667	700	6,571	7,971	700	700
110	Bad Debt Collection		1,000	(73)	100	7,218	7,418	100	100
111	Dues & Subscriptions		5,000	170	2,500	1,795	2,455	0	660
112	Printing, Publications & Notices		1,500	0	250	1,687	2,190	343	160
113	Uniforms		6,500	519	550	5,183	6,283	550	550
114	Osha Requirements/Emergency preparedness		5,000	0	200	995	1,495	200	300
115	TOTAL OFFICE EXPENSE:		84,800	9,992	8,900	83,828	95,391	4,493	7,070
116									
117	UTILITIES EXPENSE								
118	Pumping-Electricity		330,000	27,364	25,000	264,882	319,882	25,000	30,000
119	Office/Shop Utilities		16,000	1,257	1,000	14,445	16,895	1,200	1,250
120	Cellular Phone		9,000	624	825	7,357	9,007	825	825
121	TOTAL UTILITIES EXPENSE:		355,000	29,246	26,825	286,684	345,784	27,025	32,075
122									
123	TOTAL EXPENSES:		2,387,292	243,542	197,431	2,063,538	2,394,915	163,548	167,829
124									
125	CASH BASIS ADJUSTMENTS								
126	Decrease (Increase) in Accounts Payable		0	(11,891)		(16,416)	(16,416)		
127	Increase (Decrease) in Inventory		0	671		22,104	22,104		
128	Other Cash Basis Adjustments-Mesquite trails deposit expense					543	543		
129	TOTAL CASH BASIS ADJUSTMENTS:		0	(11,220)	0	6,230	6,230	0	0
130									
131	TOTAL EXPENSES PAID:		2,387,292	232,322	197,431	2,069,768	2,401,145	163,548	167,829
132									
133	NET CASH FLOW (O&M)		864,237	3,104	50,753	710,607	947,558	124,232	112,719

BWD CASH FLOW 2012-2013

	C	D	AC	AD	AE	AF	AG	AI	AJ
4	BWD CASH FLOW								
5	2012-2013								
6			ADOPTED BUDGET	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED
7			2012-2013	APRIL	APRIL	YTD	PROJECTED	MAY	JUNE
134	NON O & M EXPENSES								
135	USGS Basin study (\$69,795 balance)		131,035	28,260	49,028	51,373	121,169	20,768	49,028
136	GWM Planning Costs - legal		25,000	1,390	1,500	11,571	14,571	1,500	1,500
137	Integrated Regional Water Management Plan/Staff time		0			2,695	2,695		
138	STAG/LGA Grant/Staff time		0			923	923		
139	Viking Ranch Purchase		0		69,000	-	-		
140	Viking Ranch Purchase RESERVE		100,000			-	-		
141	GWM/ABD-IRWM Legal Expenses		0			2,287	2,287		
142	Contingency for possible well pump/motor failure		62,000		62,000	133,040	133,040		
143	Rams Hill #1 1980 steel needs inside coating, 1.25mg		200,000			4,590	104,590	100,000	
144	800 Tank		0		63,000	-	126,000	63,000	63,000
145	Twin Tanks, 1970's-inside coating (rescheduled into 2013-2014)		0			-	-		
146	Pickup		15,000			15,500	15,500		
147	ID4, Reducing Station design and installation		25,000		0	-	-		0
148	Fairway Lane pipeline (excludes BWD labor)		60,000		60,000	-	60,000		60,000
151	Concrete replacement/Repairs-WWTP		10,000		10,000	-	-		
152	Rework drying bed material-WWTP		43,000			43,830	43,830		
153	Roof replacement for Lugo building/repairs		10,000	2,976	10,000	2,976	10,000	7,024	
154	Pipeline-Country Club Road Booster Sta #3 south to Slash M					-	-		
155	Fire Hydrant Replacements					-	-		
156	Rewind motors-ID 4-11/ID4-18/ID1-10					-	-		
157	ID 1-16 pump and casing cleaning					-	-		
158	WWTP-Shredder Cutters/Motor & Gear reducers/return pump					-	-		
159	WWTP-Video Collection Lines					-	-		
160	WWTP-Sewer vacuum trailer					-	-		
161	TOTAL NON O&M EXPENSES		681,035	32,626	324,528	268,785	634,605	192,292	173,528
162	CASH RECAP								
163									
164	Cash beginning of period		899,435	1,370,778	1,374,299	899,435	899,435	1,341,257	1,273,197
165	Net Cash Flow (O&M)		864,237	3,104	50,753	710,607	947,558	124,232	112,719
166	Total Non O&M Expenses		(681,035)	(32,626)	(324,528)	(268,785)	(634,605)	(192,292)	(173,528)
167	Transfer To/From Reserves			0		-	0		
168	CASH AT END OF PERIOD		1,082,637	1,341,257	1,100,525	1,341,257	1,212,388	1,273,197	1,212,388
169	Cash allocated for Viking reserves						(100,000)		
170	Coljen LMTD deposit net expenditures						(27,283)		
171	CASH AFTER ALLOCATION FOR RESERVES/DEPOSIT						1,085,105		
172									
173									
174	RESERVES								
175	Working Capital (3 months)		600,000						
176	Contingency (3%)		72,000						
177	Asset replacement		115,000						
178	Emergency		2,500,000						
179	Viking Ranch		100,000						
180	TOTAL RESERVES		3,387,000						
181									
182	SIGNIFICANT ITEMS		ACTUAL	PROJECTED					
183									
184	Rent Income-Antilles wireless		0	400	No longer receiving rent for tower site				
185	Salaries & Wages (gross)		116,293	68,750	Pay out Vac/Sic/Severance for staff reduction				
186	Salaries & Wages contra account		(4,449)	(1,200)	Labor to replace Roof on Stirrup building				
187									
188									
189	Total Significant Items:		111,845	67,950					



BORREGO WATER DISTRICT

	BALANCE SHEET April 30, 2013 (unaudited)	BALANCE SHEET March 31, 2013 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,341,257.20	\$ 1,370,778.27	\$ (29,521.07)
Accounts receivable from water sales and sewer charges	\$ 404,614.58	\$ 366,777.66	\$ 37,836.92
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 157,897.81	\$ 157,226.73	\$ 671.08
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	\$ 4,919.40	\$ 5,108.60	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 2,031,454.53	\$ 2,022,656.80	\$ 8,797.73
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	\$ 28,206.55	\$ 20,307.92	\$ 7,898.63
Total Trust fund	\$ 28,206.55	\$ 20,307.92	\$ 7,898.63
TOTAL RESTRICTED ASSETS	\$ 286,199.39	\$ 278,300.76	
UTILITY PLANT IN SERVICE			
Land	\$ 1,935,693.94	\$ 1,935,693.94	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 184,754.09	\$ 181,778.42	\$ 2,975.67
Sewer Facilities	\$ 5,548,935.59	\$ 5,548,935.59	\$ -
Water facilities	\$ 11,019,084.17	\$ 11,036,462.17	\$ (17,378.00)
Pipelines, wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,009,059.92	\$ 1,009,059.92	\$ -
Equipment and furniture	\$ 341,132.18	\$ 323,754.18	\$ 17,378.00
Vehicles	\$ 495,572.91	\$ 495,572.91	\$ -
Accumulated depreciation	\$ (10,395,326.24)	\$ (10,395,326.24)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,610,209.16	\$ 14,607,233.49	\$ 2,975.67
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 17,112,863.08	\$ 17,093,191.05	\$ 19,672.03

Balance sheet continued

	BALANCE SHEET April 30, 2013 (unaudited)	BALANCE SHEET March 31, 2013 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 84,170.75	\$ 72,279.82	\$ 11,890.93
Accrued expenses	\$ 168,546.27	\$ 168,546.27	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 53,139.25	\$ 54,331.25	\$ (1,192.00)
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 305,856.27	\$ 295,157.34	\$ 10,698.93
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 28,206.55	\$ 20,307.92	\$ 7,898.63
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 28,206.55	\$ 20,307.92	\$ 7,898.63
LONG TERM LIABILITIES			
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	\$ 3,804,789.34	\$ 3,786,191.78	\$ 18,597.56
FUND EQUITY			
Contributed equity	\$ 9,649,544.17	\$ 9,649,544.17	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 3,658,529.57	\$ 3,657,455.10	\$ 1,074.47
Total retained earnings	\$ 3,658,529.57	\$ 3,657,455.10	\$ 1,074.47
TOTAL FUND EQUITY	\$ 13,308,073.74	\$ 13,306,999.27	\$ 1,074.47
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,112,863.08	\$ 17,093,191.05	\$ 19,672.03



BORREGO WATER DISTRICT

Treasurer's Report April, 2013

% 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

WFB/BSB General Account/Petty Cash	\$ 1,150,565	\$ 1,100,692	\$ 1,100,692	82.06%	0.00%	N/A	WFB/BSB
Payroll Account	\$ 135,371	\$ 119,295	\$ 119,295	8.89%	0.01%	N/A	WFB
LAIF	\$ 20,864	\$ 20,864	\$ 20,864	1.56%	0.28%	N/A	LAIF
MMA	\$ 100,406	\$ 100,406	\$ 100,406	7.49%	0.05%	N/A	WFB
Total Cash and Cash Equivalents	\$ 1,407,206	\$ 1,341,257	\$ 1,341,257	100.00%			

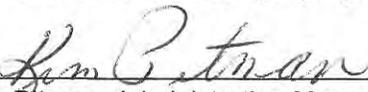
Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 28,207	\$ 28,207	\$ 28,207				
Total Cash, Cash Equivalents & Investments	\$ 1,435,413	\$ 1,369,464	\$ 1,369,464				

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 April, 2013

A. Vendor disbursements paid during this period:		\$ 172,527.73
<u>Significant items:</u>		
Utilities	\$	28,087.61
CalPERS Payments	\$	17,344.24
Employee Health Benefits	\$	20,088.48
ACWAJPIA Difference in Conditions Insurance Renewal	\$	32,874.13
USGS-billing-01/01/13-03/31/13	\$	28,260.33
B. Capital Projects/Fixed Asset Outlays:		
<i>(included in vendor disbursements paid above)</i>		
C. Total Professional Services for this Period:		
<i>(included in vendor disbursements paid above)</i>		
McDougal, Love, Eckis, Attorneys	Legal-general	
	Legal-deposits	
	Total Invoice:	\$ -
Downey Brand, Attorneys	Legal-deposits	\$ 1,192.00
	Legal-GWM	\$ 1,389.70
	Total Invoice:	\$ 2,581.70
Dynamic Consulting Engineers	Engineering-general	
	Engineering-deposits	
	Total Invoice:	\$ -
D. Payroll for this Period:		
Gross Payroll	\$	116,293.42
Employer Payroll Taxes and ADP Fee	\$	2,141.34
Total	\$	118,434.76

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 APRIL 30, 2013

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18393	05/08/13	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICES FOR DETAILS SEE INVOICES FOR DETAILS	2,808.30
18394	05/08/13	A-1 IRRIGATION, INC. PARTS	166.15
18369	04/18/13	ABILITY ANSWERING/PAGING SER ANSWERING & PAGING SERVICE FOR APRIL	218.10
18370	04/18/13	ACWA/JPIA EMPLOYEE BENEFITS PE:05/01/13-06/01/13	20,088.48
18395	05/08/13	ACWA/JPIA ANNUAL PREMIUM DIFFERENCE IN CONDITIONS POLICY PERIOD: 5/6/13-5/6/14	32,874.13
18371	04/18/13	AFLAC EMPLOYEE PAID SUPPLEMENTAL HEALTH INSURANCE	1,749.60
18382	04/30/13	AIRGAS USA, LLC EQUIPMENT	705.52
18396	05/08/13	ALLIED WASTE SERVICES #467 3155 HONOR COURT	2,480.00
18383	04/30/13	AMERICAN BACKFLOW SPECIALTIES PARTS	304.51
18397	05/08/13	AMERICAN BACKFLOW SPECIALTIES INVENTORY RELEASE VALVE	671.08
18398	05/08/13	AMERICAN LINEN INC. UNIFORMS	518.95
18399	05/08/13	AT&T MOBILITY COMPANY CELL PHONES	624.43
18400	05/08/13	AT&T-CALNET 2 7607674230 WWTP 7607675806 MAIN OFFICE 7607675559 MAINT SHOP PHONE	303.10
18401	05/08/13	BORREGO SPRINGS BOTTLED WATER WATER FOR CREW	57.01
18372	04/18/13	CMS BUSINESS FORMS, INC. RETURN ENVELOPES FOR LASER WATER BILLS	266.20
18402	05/08/13	CMS BUSINESS FORMS, INC. #10 WINDOW ENVELOPES	292.00
18373	04/18/13	CONTRON TELEMETRY SYSTEMS SERVICE:WELL #11,#10 & #16 TELEMETRY COMPUTER COMMUNICATION STATUS WELLS:#10,#16,#11,#8	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 APRIL 30, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		DIGITAL PRESSURE GAUGE TELEMETRY SYSTEMS	4,928.82
18403	05/08/13	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICES FOR DETAILS	414.39
18384	04/30/13	DEBBIE MORETTI PEST CONTROL	113.00
18385	04/30/13	DESERT TIRE CENTER MAINTENANCE 2007 DODGE PICKUP	985.30
18386	04/30/13	DOWNEY BRAND PROFESSIONAL SERVICES MARCH 2013 PROFESSIONAL SERVICES MARCH 2013	2,581.70
18404	05/08/13	E.S. BABCOCK & SONS, INC. SAMPLES	3,810.00
18405	05/08/13	FIRST AMERICAN TITLE CO. LOT BOOK GUARANTEE REPORT APN:200-090-62 LA CASA RESEARCH	75.00
18374	04/18/13	GEORGE & KROUGH WELDING, INC GIRT ATTACHMENT CLIPS	461.60
18406	05/08/13	GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCLE GOLF COURSE APRIL	5,210.80
18387	04/30/13	HIDDEN VALLEY PUMP SYSTEMS INC COUNTRY CLUB BOOSTER REPAIR WORK ON SCUM WELL AT WWTP	1,993.62
18407	05/08/13	HIDDEN VALLEY PUMP SYSTEMS INC CHECK OPERATION OF TRANSFER SWITCH TROUBLESHOOT VFD AT BOOSTER STATION 3	540.00
18388	04/30/13	HYDROTEX DIESEL TREATMENT AND OIL/FUEL SAMPLE KITS	1,716.90
18389	04/30/13	KAMAN INDUSTRIAL TECHNOLOGIES DISCHARGE HOSE	1,028.13
18390	04/30/13	KENNY STRICKLAND, INC. FUEL	2,621.48
18375	04/18/13	KONICA MINOLTA INSTALLMENT ON COPIER PE:03/25/13-04/24/13	1,279.45
18408	05/08/13	McMOR CHLORINATION, INC CHLORITE FOR WELLS	419.48
18409	05/08/13	NAPA AUTO PARTS INC SEE INVOICE FOR DETAILS	95.84
18345	04/04/13	CASH TO REPLENISH PETTY CASH FOR APRIL 2013	300.00
18376	04/18/13	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE BENEFITS PE:04/01/13-04/15/13	8,600.31
18410	05/08/13	PUBLIC EMP'S RETIREMENT SYSTEM	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 APRIL 30, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		EMPLOYEE BENEFITS	
		PE: 04/16/13 - 04/30/13	8,743.93
18411	05/08/13	PUMP CHECK	
		PUMP EFFICIENCY TESTING	2,420.00
18377	04/18/13	PITNEY BOWES/PURCHASE POWER	
		POSTAGE FOR CUSTOMER	
		BILLS:2 MONTHS	2,000.00
18378	04/18/13	QUILL CORPORATION	
		OFFICE SUPPLIES	
		OFFICE SUPPLIES	135.92
18412	05/08/13	RAMONA DISPOSAL SERVICE	
		WASTE SERVICE	
		4861 BORREGO SPRINGS ROAD	
		WASTE SERVICE	
		2475 STIRRUP ROAD	287.00
18391	04/30/13	RECORDER/COUNTY CLERK'S OFFICE	
		RELEASE LIEN 0404232	13.00
18413	05/08/13	RSIS, INC.	
		CALIBRATED METER	587.80
18392	04/30/13	SAN DIEGO GAS & ELECTRIC	
		ELECTRIC CHARGES	28,040.58
18414	05/08/13	SAN DIEGO GAS & ELECTRIC	
		ELECTRIC CHARGES	47.03
18379	04/18/13	SECAP FINANCE	
		COPIER LEASE	
		PE:03/31/13-04/30/13	137.49
18380	04/18/13	TYCO INTEGRATED SECURITY LLC	
		QTRLY BILLING	
		BWD OFFICE ALARM	
		05/01/13-07/31/13	169.27
18415	05/08/13	UNDERGROUND SERVICE ALERT	
		DIG ALERTS	12.00
18416	05/08/13	UNITED STATES	
		PARTIAL BILLING PERIOD COVERS	
		1/1/13 - 3/31/13	28,260.33
18381	04/18/13	WENDY QUINN	
		RECORDING SERVICES	
		FOR MARCH 2013	210.00
18417	05/08/13	WENDY QUINN	
		RECORDING SERVICES FOR APRIL	160.00
		TOTAL	172,527.73

GWM ACCOUNTING
01-5480
FY 2013

A	B	E	F	G	H	K	L	N	O	P
	DESCRIPTION	LGA GRANT	LGA GRANT STAFF SUPPORT	IRWMP	IRWMP STAFF SUPPORT	GWM	GWM STAFF SUPPORT	TOTALS	MONTHLY TOTALS	
6										
7										
8	DATE									
9										
10										
11	Record Staff time-Rolwing LGA Grant		923.20					923.20		
12	Fed-X overnight-DWR-IRWM planning			48.55				48.55		
13	Ecolayers - hosting DWR			800.00				800.00	\$ 1,771.75	JULY
14	Record Staff time-Rolwing IRWM				553.92			553.92		
15	Record Staff time-Rolwing IRWM				738.56			738.56	\$ 1,292.48	AUGUST
16	McDougal, Love,Eckis-Attorney			87.50				87.50		
17	GWA Conference-Jerry					265.00		265.00		
18	Refund preservation fee-Lewis					2,750.00		2,750.00		
19	USGS-work performed per agreement					1,182.01		1,182.01		
20	Record Staff time-Rolwing IRWM				553.92			553.92	\$ 4,838.43	SEPT
21	Jerry IRWM meeting-lunch			15.00				15.00	\$ 15.00	NOV
22	McDougal, Love,Eckis-Attorney					1,128.75		1,128.75		
23	Ecolayers-hosting USGS/DWR					2,400.00		2,400.00		
24	Downy & Brand-Professional fees					805.00		805.00		
25	USGS-4th quarter billing					13,621.48		13,621.48	\$ 17,955.23	DEC
26	Graphics you can trust-Native plant brochures					480.00		480.00		
27	Downy & Brand-Professional fees					2,451.10		2,451.10	\$ 2,931.10	JAN
28	Downy & Brand-Professional fees					1,426.95		1,426.95	\$ 1,426.95	FEB
29	USGS quarterly billing					8,310.11		8,310.11		
30	Downy & Brand-Professional fees					658.70		658.70	\$ 8,968.81	MARCH
31	Downy & Brand-Professional fees					1,389.70		1,389.70		
32	USGS quarterly billing					28,260.33		28,260.33	\$ 29,650.03	APRIL
33										
34	TOTAL GWM EXPENSES FY 2013:	-	923.20	951.05	1,846.40	65,129.13	-	68,849.78	\$ 68,849.78	



BORREGO WATER DISTRICT

April 2013

WATER OPERATIONS REPORT

WELL	TYPE	FLOW RATE	STATUS	COMMENT
ID1-1	Irrigation	150	Standby	Backup well for Rams Hill Golf Course
ID1-2	Irrigation	150	Standby	Backup well for Rams Hill Golf Course
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	950	In Use	
ID1-16	Production	950	Out of Service	
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	Out of Service	Diesel engine drive exercised monthly
ID4-18	Production	250	In Use	
ID5-5	Production	900	In Use	Diesel engine drive exercised monthly

System Problems: ID1-Well 16 not in use waiting for evaluation from pump service company.
 ID4-Well 18 Pump Eff. is at 50%. Motor and Pump are being scheduled to be pulled and repaired based on recommendation from pump company. All other Production Wells are in operating condition. Relining of the 800 tank has been completed and filled but leaked. So it was drained leaks were found and fixed. We are in the process of refilling and checking for no leaks.

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: 72496 (gallons per day)
Peak flow: 98827 gpd Saturday April 6, 2013

All restaurant grease traps were clean.

RHWRP Problems: To numerous to list.

System Problems: None.



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

April 2013

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
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	36.38	11.13	100.49	0.00	148.00
Dec-12	20.41	8.54	101.89	0.00	130.84
Jan-13	15.18	10.21	103.59	2.05	131.03
Feb-13	11.65	9.60	76.50	2.26	100.01
Mar-13	10.26	8.33	85.01	4.54	108.14
Apr-13	12.26	10.88	135.54	7.10	165.78
12 Mo. TOTAL	295.11	143.03	1400.96	75.24	1914.34

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

WATER LOSS SUMMARY (%)

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE AVERAGE
Apr-13	-6.95	5.88	15.06	N/A	4.66
12 Mo. Average	3.36	2.52	10.21	N/A	5.36

BORREGO WATER DISTRICT
Water Production / Use Records
ID # 1
Month of April 2013

----- Water Production (Acre Feet) -----								
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====
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
NOV'12	0.00	0.00	0.04	12.18	63.65	0.04	75.91	36.38
DEC'12	0.00	0.00	0.07	9.04	19.84	0.00	28.95	20.41
JAN'13	0.00	0.00	0.06	10.86	14.47	0.00	25.39	15.18
FEB'13	0.00	0.00	8.49	2.70	10.06	0.00	21.25	11.65
MAR'13	0.00	0.00	18.59	0.00	0.00	0.00	18.59	10.26
APR'13	0.00	0.00	0.00	0.00	23.14	0.00	23.14	12.26
TOTALS	0.00	0.00	57.88	110.48	288.57	11.17	468.10	295.11
=====	=====	=====	=====	=====	=====	=====	=====	=====

----- Water Use (Acre Feet) -----									
Date	Domestic	Irrigat'n	Constrt'n	Golf			Total	Water	
				Course	ID 3	ID 4		Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
APR'12	8.22	5.28	0.00	0.00	10.86	0.00	24.36	- .03	- .12%
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%
NOV'12	10.36	25.16	0.00	0.00	11.13	28.40	75.05	0.86	1.14%
DEC'12	8.32	10.12	0.00	0.00	8.54	0.00	26.98	1.97	6.81%
JAN'13	8.01	5.39	0.00	0.00	10.21	0.00	23.61	1.78	6.97%
FEB'13	7.35	3.76	0.00	0.00	9.60	0.00	20.71	0.54	2.53%
MAR'13	7.03	3.12	0.00	0.00	8.33	0.00	18.48	0.11	0.64%
APR'13	8.36	5.51	0.00	0.00	10.88	0.00	24.75	-1.61	-6.95%
TOTALS	115.63	163.75	0.00	0.00	143.03	29.96	452.37	15.73	3.36%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 3
 Month of April 2013

Date	La Casa del Zorro Total Acre Feet		Deep Well Trail / Others Acre Feet			Total	Total	Total
	Irrigat'n	Domestic	Irrigat'n	Domestic	Total	Irrigat'n	Domestic	Acre Feet
APR'12	0.43	4.10	0.03	5.35	5.38	0.46	9.45	9.91
MAY'12	0.53	5.29	0.06	7.42	7.48	0.59	12.71	13.30
JUN'12	0.99	4.80	0.22	7.58	7.80	1.21	12.38	13.59
JUL'12	0.83	6.43	0.07	6.67	6.74	0.90	13.10	14.00
AUG'12	0.76	8.31	0.10	7.41	7.51	0.86	15.72	16.58
SEP'12	0.77	4.80	0.06	7.62	7.68	0.83	12.42	13.25
OCT'12	0.85	4.66	0.14	6.49	6.63	0.99	11.15	12.14
NOV'12	0.92	4.24	0.07	5.66	5.73	0.99	9.90	10.89
DEC'12	0.00	3.29	0.01	4.58	4.59	0.01	7.87	7.88
JAN'13	1.24	3.67	0.03	4.81	4.84	1.27	8.48	9.75
FEB'13	0.68	4.08	0.16	4.57	4.73	0.84	8.65	9.49
MAR'13	0.57	4.16	0.05	3.54	3.59	0.62	7.70	8.32
APR'13	0.79	4.03	0.02	5.40	5.42	0.81	9.43	10.24
TOTALS	8.93	57.76	0.99	71.75	72.74	9.92	129.51	139.43

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
APR'12	10.87	9.91	0.96	8.83%
MAY'12	13.34	13.30	0.04	0.30%
JUN'12	13.84	13.59	0.25	1.81%
JUL'12	14.27	14.00	0.27	1.89%
AUG'12	17.76	16.58	1.18	6.64%
SEP'12	12.72	13.25	-0.53	-4.17%
OCT'12	12.41	12.14	0.27	2.18%
NOV'12	11.13	10.89	0.24	2.16%
DEC'12	8.54	7.88	0.66	7.73%
JAN'13	10.21	9.75	0.46	4.51%
FEB'13	9.60	9.49	0.11	1.15%
MAR'13	8.33	8.32	0.01	0.12%
APR'13	10.88	10.24	0.64	5.88%
TOTALS	143.03	139.43	3.60	2.52%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of April 2013

----- Water Production (Acre Feet) -----											
Date	Well 2	Well 3	Well 4	Well 5	Well 10	Well 11	Well 18	Wilcox	Well 85	Total	Less ID5
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
APR'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
NOV'12	0.00	0.00	51.45	24.80	9.97	0.00	14.27	0.00	0.00	100.49	100.49
DEC'12	0.00	0.00	49.39	35.72	9.47	1.54	5.77	0.00	0.00	101.89	101.89
JAN'13	0.00	0.00	61.63	27.85	11.84	0.00	4.32	0.00	0.00	105.64	103.59
FEB'13	0.00	0.00	38.14	10.41	9.84	16.89	3.48	0.00	0.00	78.76	76.50
MAR'13	0.00	0.00	43.79	23.93	9.60	5.48	6.75	0.00	0.00	89.55	85.01
APR'13	0.00	0.00	0.00	37.31	11.28	88.84	5.21	0.00	0.00	142.64	135.54
TOTALS	0.00	0.00	569.68	376.80	122.07	312.36	95.29	0.00	0.00	1476.20	1400.96
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
=====	=====	=====	=====	=====	=====
APR'12	108.29	92.48	15.81	14.60%	6.86
MAY'12	140.10	123.11	16.99	12.13%	8.31
JUN'12	138.60	121.95	16.65	12.01%	5.36
JUL'12	141.66	126.38	15.28	10.79%	6.36
AUG'12	164.03	139.06	24.97	15.22%	6.35
SEP'12	120.29	117.66	2.63	2.19%	3.14
OCT'12	152.55	158.46	-5.91	-3.87%	29.77
NOV'12	100.49	99.42	1.07	1.06%	0.00
DEC'12	101.89	80.44	21.45	21.05%	0.00
JAN'13	105.64	89.67	15.97	15.12%	2.05
FEB'13	78.76	67.95	10.81	13.73%	2.26
MAR'13	89.55	80.28	9.27	10.35%	4.54
APR'13	142.64	121.16	21.48	15.06%	7.10
TOTALS	1476.20	1325.54	150.66	10.21%	75.24
=====	=====	=====	=====	=====	=====