

AGENDA
Borrego Water District Board of Directors
Regular Meeting
September 24, 2014 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 July 15, 2014 (3-4)
 - Regular meeting of July 23, 2014 (5-8)
- 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. Presentation of FY 2014 financial audit results by Hosaka, Rotheram & Company
- B. Discussion and possible approval of First Amendment to Lease Agreement between Cameron Brothers and the District (9-10)
- C. Discussion and possible approval of Raftelis Water and Wastewater Utility Rate Analysis Contract
- D. Discussion and possible approval of Tandem Solar proposal for Solar Power Purchase Agreement (11-33)
- E. Discussion and possible approval of Viking note refinancing (34-68)
- F. Discussion and possible approval of 3rd Amendment to Lundberg Agreement (69-81)
- G. Review of planning calendar (82-83)

III. STAFF REPORTS

- A. Financial Reports – July and August 2014 (86-112)
- B. General Manager / Operations Report (113-117)
- C. Water and Wastewater Operations Report – July 2014 (118)
- D. Water Production/Use Records – July 2014 (119-122)
- E. Water and Wastewater Operations Report – August 2014 (123)
- F. Water Production/Use Records – August 2014 (124-127)

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) |
| 8. Personnel Committee | (Hart, M. Brecht) |
| 9. Negotiating Committee | (Hart, Estep) |
| 10. CFD Committee | (Estep, M. Brecht) |

VI. INFORMATIONAL ITEMS

VII. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

- A. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. One potential case.

VIII. CLOSING PROCEDURE

The next Special Meeting of the Board of Directors is scheduled for October 14, 2014 at the Borrego Water District.
The next Regular Meeting of the Board of Directors is scheduled for October 22, 2014 at the Borrego Water District.

Wright Family Trust to accommodate sewer service. *MSC: Estep/L.Brecht approving the transfer.*

E. Progress update concerning 2014 Community Groundwater Management Plan (GWMP) and Borrego Water Coalition policy recommendations for the GWMP: Director Lyle Brecht requested that the title of the GWMP be expanded to “Borrego Valley Community Groundwater Management Plan.” He went on to summarize a list of proposed attachments to the Borrego Water Coalition Policy Document. Included were USGS Water Quality Forecasting Study proposal, proposals from Dudek, land appraisers and environmental engineers, an estimate of Proposition 218 costs, recommended changes to the water credit policy and an RMC proposal for development of an IRWMP grant application. Suggestions are welcome.

F. Discussion of potential agenda items for July 23rd board meeting: Agenda items for the next meeting will include water credits for Genus, Monica, Fortiner and Pivot, and cancellation of August Board meetings.

III. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:20 a.m. The next Regular Meeting of the Board of Directors is scheduled for July 23, 2014 at the Borrego Water District.

Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, July 23, 2014
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
Diana Del Bono, Administrative Assistant
Wendy Quinn, Recording Secretary

Public: Paul Nordman, Genus LP Kathy Johnston

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

- E. Approval of Minutes:

Special meeting of June 17, 2014

MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of June 17, 2014 as written.

Regular meeting of June 25, 2014

MSC: M.Brecht/L.Brecht approving the Minutes of the Regular Meeting of June 25, 2014 as corrected (Item II.K, change the word "Agenda" in the motion to read "Board package"; Item III.B, fifth paragraph, change the last sentence to read, "T2 requested only 350 acre feet"; Item V.7, add the words "and transactions" at the end).

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

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

H. Correspondence: Jerry Rolwing reported that the State Water Resources Control Board will be assuming the duties of the Department of Public Health regarding drinking water.

II. CURRENT BUSINESS MATTERS

A. Discussion and possible approval of Genus L.P. request for water credits on Pepper Farm property: *MSC: L.Brecht/Estep approving Genus L.P.'s request for water credits on the Pepper Farm property and giving Mr. Rolwing the authority to sign the documents.*

B. Discussion and possible approval of amended easement on Rudy Monica property: *MSC: L.Brecht/M.Brecht approving the amended easement on the Rudy Monica property and giving Mr. Rolwing the authority to sign the documents.*

C. Discussion and approval of authorizing General Manager, Jerry Rolwing, to sign settlement documents related to the Rudy Monica Water Credit transaction: *MSC: L.Brecht/Delahay authorizing the General Manager, Jerry Rolwing, to sign the settlement documents related to the Rudy Monica Water Credit transaction; contingent upon Mr. Monica's signature and Director Estep's review of the documents.*

D. Discussion and possible approval of Center Pivot water credits: President Hart explained that Jack McGrory and his partners had purchased the Center Pivot palm farm and have agreed to fallow the property. The County has agreed to grant AG-1 water credits for Blocks A, B and C. Mr. Rolwing and the Asset Ad Hoc Committee have tentatively agreed to grant AG-2 credits for Blocks D, E, F and G and portions of Blocks A, B and C that the County did not include.

Discussion followed regarding a well on the property that the District may need in the future. Director Estep recommended asking Mr. McGrory if he would consider allowing the District to use it (minus the one acre-foot per year he is allowed to retain). Mr. Rolwing will return to the Board with a proposed fallowing plan and survey.

MSC: Estep/L.Brecht approving the letter from Mr. Rolwing to Mr. McGrory outlining the proposed terms of the agreement.

E. Discussion and possible approval of Dudek proposal for Environmental Engineering Water Credits Program Analysis Recommendation: Mr. Rolwing explained that as we move forward with the water credit program and the Groundwater Management Plan, the issue has arisen that the water credit program does not really address the overdraft. It provides no increase in the overdraft, but no reduction either. He recommended an analysis by Dudek so the District can justify its water credit ratio (i.e., 1:1, 2:1 or 3:1). President Hart added that defensible reasoning in the event of a lawsuit would be prudent, and Mr. Rolwing pointed out that it could also help in negotiations with the County to make its water credit program compatible with the District's. Director Estep felt that the Borrego Water Coalition should pay for the analysis. Director Lyle Brecht planned to include it in the BWC budget, but noted that it has yet to be negotiated. ***MSC: Delahay/L.Brecht approving Dudek's proposal for an environmental engineering water credits program analysis. Director Estep abstained from the vote, and all others voted aye.***

F. Review of planning calendar: The Board agreed to delete past items from the planning calendar, or reschedule them if they are recurring. Director Lyle Brecht submitted a marked up calendar to Diana Del Bono, reflecting his proposed changes. President Hart reported that she had forwarded a proposed revision to the Club Circle Golf Course lease agreement to Director Estep and Mr. Rolwing, adding provisions for succession and assignment. Director Estep approved the revision, and Mr. Rolwing will follow up.

G. Consideration of cancelling August Workshop and Regular Board meeting: *MSC: L.Brecht/Delahay canceling the August Workshop and Regular Board meeting.*

III. STAFF REPORTS

A. Financial Reports - June 2014: Kim Pitman announced that today's report covers the year-end figures, with the exception of the accruals. The current bank balance is over \$2 million. Ms. Pitman reported that early next year she plans to contact Umpqua Bank regarding a possible transfer of the District's funds to them.

B. General Manager/Operations Report: Mr. Rolwing invited the Board's attention to the Summary of Available Flood Infrastructure Information, attached to his written report in the Board package.

C. Water and Wastewater Operations Report - June 2014:

D. Water Production/Use Records - June 2014:

E. Year to Date Meter Installations:

F. Meter Installation History:

The Monthly Reports were included in the Board package.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Marshal Brecht announced that the auditors would be here next week.

2. Due-Diligence

The Committee had requested an estimate from Dennis Ciocca for refinancing the ID4 bond.

3. Strategic Planning Committee/IRWM

Director Lyle Brecht reported that the Committee had been working on schematics for the Borrego Water Coalition work and data for the Groundwater Management Plan. They hope to have them to the Board in September. President Hart announced there would be a BWC conference call on August 7.

4. Executive Committee

President Hart reported that the Committee had been working with Lance Lundberg to complete the paperwork for the Viking Ranch transaction.

5. Operations & Management Committee

Director Delahay reported that the solar energy RFP had been distributed.

6. Parks Committee

Director Estep reported that the Committee had been working on the assignment clause for the Club Circle Golf Course lease. Mr. Rolwing reported that efforts are underway to create a homeowners' association at Club Circle, which might take over the lease if the District elects not to renew it. President Hart had informed Bob Moore, the greens keeper, that there could be a change in lessee next year.

7. Asset Ad Hoc Committee

President Hart reported that the Committee had been working on the water credit transactions.

8. Personnel Committee

No report.

9. Negotiating Committee

No report.

10. CFD Committee

Director Estep reported that he knew of a bond attorney in Encinitas and would report to the Board after meeting him.

VI. INFORMATION ITEMS

- Candidate Filing Guides for the upcoming General Election are now available at the District office or the office of the Registrar of Voters, 5600 Overland Ave., San

Diego. The District will have three (3) director positions available for 4 year terms. Each candidate must be a resident voter of the district. Filing deadline is 5 p.m., August 8, 2014: Ms. Del Bono reported that to her knowledge, one candidate had filed to date.

- The California Energy Commission in concert with SDG&E is looking at placing 500KV power lines through the Anza-Borrego Desert State Park in the wake of closing of the San Onofre Nuclear Generating Station. See option #5 in the “Transmission Options” document – prepared by Aspen Environmental, the same group that did the evaluation for the Sunrise Power line – published on the Energy Commission’s website in May 2014 and can be viewed at <http://www.energy.ca.gov/2014publications/CEC-700-2014-002/CEC-700-2014-002.pdf>: President Hart invited the Board’s attention to the referenced website. Director Lyle Brecht noted that the proposed power lines would go through the middle of the State Park. This is only one option, but the Park has been forbidden to comment; public comments are accepted.

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:30 p.m. The next Special Meeting of the Board of Directors is scheduled for September 16, 2014 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for September 24, 2014 at the Borrego Water District.

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO THE LEASE AGREEMENT (the "Lease"), is made and executed this 5th day of August 2014 by and between CAMERON BROTHERS CONSTRUCTION CO., L.P., a California Limited Partnership (the "Landlord") and BORREGO WATER DISTRICT, a public corporation, organized and existing under Division 13 of the Water Code of the State of California and having the powers conferred by the Community Service District Law (the "CSDL") (the "Tenant"). Landlord and Tenant are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

WHEREAS, the Landlord and Tenant are parties to a Lease Agreement dated November 1, 2011 with respect to certain real property situated within the jurisdictional boundaries of the Borrego Water District in the State of California; and

WHEREAS, the Lease is not currently binding upon the Parties' successors; and

WHEREAS, based on changed circumstances following the execution of the Lease Agreement, the Parties now seek to amend the Lease Agreement to add such a provision;

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

1. Section 12 of the Lease is restated to read as follows:
 12. Assignment, Subletting And Successors. Tenant shall not assign this Lease or any interest therein, nor sublicense or sublet the Premises or any part thereof, without the prior written consent of Landlord. Notwithstanding the foregoing, the Tenant may contract with a third party to operate, improve and/or maintain the Premises, which contract shall not require any prior or further notice, approval or consent. The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereto.
2. All other terms and conditions set forth in the Lease Agreement shall continue in full force and effect.
3. Delivery of a signed copy of this First Amendment to the Lease Agreement by e-mail or facsimile shall be legal execution and delivery of the Agreement by the signing party.



**Proposal for Solar Power Purchase Agreement
Borrego Water District
Waste Water Treatment Plant
Borrego Springs, California**

CONFIDENTIAL

August 25, 2014



1.0 PURPOSE & OBJECTIVE

The Borrego Water District (“District”) is a significant power consumer in Borrego Springs, relying on grid-purchased electricity from SDG&E to run its various facilities, including the Waste Water Treatment Plant (“WWTP”) located at 4839-4891 Borrego Springs Rd. With SDG&E steadily increasing the kWh electricity rates charged to the District year after year, the District is seeking a means to minimize its reliance on SDG&E and to achieve both long-term electricity cost savings and cost certainty through the use of solar photovoltaic technology.

Tandem is proposing to develop, design, permit (including any costs for environmental work), fabricate, deliver, install, operate, insure, maintain, and own a 96.0 kW solar facility at the WWTP and to provide the District with a reliable electrical energy source from solar power, at a lower cost than is currently available from SDG&E, for a period of 25 years, via a Power Purchase Agreement (“PPA”).

The proposed solar system would interconnect to the grid under the SDG&E Net Energy Metering (“NEM”) program. Under NEM, the electric energy generated by on-site solar is used to offset the electric energy provided by SDG&E to the District’s WWTP. NEM is the standard program for commercial and residential solar systems in SDG&E territory and in the State of California. **The proposed solar system would generate, on average, 95.8% of the annual electricity demand of the WWTP and, therefore, reduce the net amount of electricity purchased from SDG&E by an equivalent amount.**

In 2013, the rate paid by the District to SDG&E for electricity to power the WWTP averaged 17.7 cents per kWh. Tandem would sell solar-generated electricity to the District at a base rate of 13.8 cents per kWh – an immediate rate savings of 21%. (Additional proposed PPA terms are outlined below).

The PPA structure allows the District to benefit from solar for 25 years without the need for any up-front capital investment. Tandem will grant the District a one-time option to purchase the solar system at the end of Year 6 of the PPA term for a price which is equivalent to 50% of the initial cost of the system.

This proposed solar solution delivers the following benefits to the District:

- ✓ Immediate and long-term electricity cost savings
- ✓ Protection against rising electricity rates
- ✓ Long-term electricity cost certainty
- ✓ Zero capital investment required from the District
- ✓ Maintenance or monitoring of the solar system is included
- ✓ Option for the District to purchase the solar system at the end of Year 6

2.0 SCOPE OF PROJECT

The scope of services provided by Tandem and its construction partner, West Hills Construction (“WHC”) includes all tasks required to design, fabricate, deliver, install, operate, and maintain the PV system for the District. The scope also includes the securing of all permits and approvals from governing agencies and all labor, taxes,



services, permit fees, and equipment necessary to produce a fully operational solar PV system. A detailed explanation of the complete project and delineation of all work tasks to be performed by Tandem and WHC is included below.

2.1 Roles & Responsibilities

(a) Tandem:

- i. Lead Proponent
- ii. Developer/Sponsor
- iii. Project Owner/Investor
- iv. Power Provider (counterparty to the District in the Power Purchase Agreement)
- v. Project Financing
- vi. Environmental clearances/CEQA Compliance
- vii. Major Equipment Procurement (Modules, Inverters, Racking)

(b) WHC:

- i. Detailed System Engineering & Design (designer of record)
- ii. General Contractor of record
- iii. Supply of all equipment, materials, and labor necessary to install the solar PV systems and integrate them with other power sources
- iv. System installation
- v. Electrical interconnections
- vi. Commissioning and acceptance testing
- vii. Operation and Maintenance Manuals and As-Built Drawings

(c) Tandem & WHC

- i. Coordination with SDG&E for Interconnection
- ii. Permitting
- iii. Ongoing Operation & Maintenance of the solar facility

2.2 Detailed Scope:

2.2.1 Design, Engineering, & Permitting

The solar PV system shall be designed and engineered to maximize the solar energy resources, taking into consideration the District's electrical demand and load patterns, proposed installation site, available solar resources, existing site conditions, proposed future site improvements, and other relevant factors. The preliminary system design included in this document was done on this same basis. The following is outlined in Attachment A – System Detail:

1. System description
2. Equipment details and description
3. Preliminary Layout of installation



4. Preliminary Layout of equipment
5. Selection of key equipment
6. Specifications for equipment procurement and installation
7. All engineering associated with structural and mounting details
8. Performance of equipment components, and subsystems
9. Integration of solar PV system with other power sources
10. Electrical grid interconnection requirements
11. Controls, monitors, and instrumentation
12. System performance monitoring

Tandem and WHC have extensive experience in the permitting and interconnection of solar energy facilities in the State of California. Please refer to **Section 10 Contractor References**, below.

2.2.2 Installation

The scope of work provided by Tandem and WHC includes the supply of all equipment, materials, and labor necessary to install the solar PV systems and integrate them with other power sources. All installation work shall be self-performed by WHC, a licensed General Building Contractor and Electrical Contractor in the State of California (CSLB# 578578 – B/C10). The installation team will be comprised of experienced and certified installers, licensed by in the State of California, in accordance with state law.

2.2.3 Electrical Interconnections

Tandem/WHC shall supply and install all equipment required to interconnect the solar PV systems to SDG&E distribution system. This includes the fulfillment of all application, studies, and testing procedures to complete the interconnection process. All costs associated with utility interconnection shall be borne by Tandem/WHC.

2.2.4 Commissioning & Acceptance Testing

It is understood and acknowledged that, during the start-up, the District, and/or its independent engineer/consultant, shall observe and verify each aspect of system performance. Tandem/WHC's commissioning and acceptance test services shall include:

- Start-up the solar PV systems until it achieves the performance requirements.
- Conducting of the performance testing over a consecutive twenty-four (24) hour period
- Conducting the successful delivery of power within thirty (30) days following completion of the system, meeting each benchmark.

2.2.5 Operation and Maintenance Manuals and As-Built Drawings

Tandem shall provide three (3) sets of operation, maintenance, and parts manuals for the solar PV system. The manual shall cover all components, options, and accessories supplied. It shall include maintenance, troubleshooting, and safety precautions specific to the supplied equipment. It shall also delineate responsibilities of Tandem and the District, both during the term of any agreement and after any potential buyout that may be agreed to.



Tandem will provide three (3) sets of as-built drawings including one (1) on CAD. These requirements shall be delivered prior to acceptance of the solar PV system.

2.2.6 Monitoring

Tandem will monitor system performance and provide public education and outreach, as required by the District. Tandem will provide access to real-time system data via ABB’s Plant Viewer platform, a user-friendly browser based monitoring solution. Plant Viewer allows users to track energy produced on a solar power plant in a simple and intuitive fashion. Plant Viewer users can track key energy metrics as well as the energy produced throughout the lifetime of their solar power plant.

Plant Viewer is fully integrated monitoring platform provided by ABB, the manufacturer of the selected solar inverters. The platform monitors, analyzes, and displays historical and live solar electricity generation data. The regularly collected data will reflect, but not be limited to, the following:

- System performance
- System availability
- Average and accumulated output
- Capacity factor
- Degradation
- Cost avoidance
- Weather and environmental data

The data acquisition and monitoring system is designed for turnkey, remote operation. Data shall be transmitted via Internet from the site to a server. Data format shall be coordinated with requirements of SDG&E. The data acquisition system will not require a dedicated or always-on personal computer.

In coordination with the District, Tandem will engage in ongoing community outreach which shall include but not be limited to the following:

- Press releases announcing the various project milestones and completion of the solar facility at the WWTP.
- Organized educational tours of the facility once it is fully constructed and operational
- Public access to online portal where real-time system monitoring data can be viewed by citizens, educators and students.

3.0 WARRANTIES & GUARANTEES

The warranties to be transferred to the District, if the District purchases the PV system, are as follows:

Purchase at completion

Module Warranty: 10-year workmanship, 25-year production



Inverter Warranty: 10 years
Racking Warranty: 20 years
Installation/Workmanship: 3 years

Exercise of Year-7 Purchase Option

Module Warranty: 10-year workmanship, 25-year production
Inverter Warranty: 10 years
Racking Warranty: 20 years

Confirmation of equipment warranties are included in **Attachment A – Project Detail**, in the equipment specifications.

4.0 OPERATION & MAINTENANCE

Tandem will provide a comprehensive onsite operation and maintenance service program for the PV system operations, safety and maintenance activities. **Tandem’s head office is located ½ mile from the District’s WWTP**, which provides an unparalleled advantage in terms of O&M activities and responsiveness to scheduled and unscheduled maintenance requirements.

Tandem’s operation and maintenance service program includes the following:

- Annual on-site system inspection, including:
 - o System testing (operating current of each electrical string)
 - o Routine preventive maintenance
 - o Repair and/or replacement of defective parts (including equipment and labor)
- System performance monitoring and historical data access for customer via secure website.
Accessible data will include:
 - o System energy and power production
 - o Ambient temperature
 - o Wind speed
 - o Insolation
- Daily system monitoring by vendor, including:
 - o Reporting of problems to customer
 - o Dispatch of resources for expeditious resolution of problems
- Monthly reports and detailed annual report summarizing system performance, efficiency, downtime (if any) and cost savings.



The price, per year, for operating and maintaining the PV system on the District’s behalf for a twenty five (25) year service term is as follows:

Scheduled Maintenance/Cleaning:	\$1,920
Unscheduled Maintenance:	\$300
<u>Inverter Replacement Reserve:</u>	<u>\$960</u>
TOTAL:	\$3,180/Year

The annual price shall be increased at 2% per year to compensate for inflation over time.

Tandem’s Operation and Maintenance program shall include all required maintenance activities, including warranty repair work and equipment replacement including, but not limited to, inverter replacement in order to keep the system operational and performing to production guarantees.

5.0 INSURANCE

Tandem/WHC shall be responsible for and shall pay for insurance for the project during the time that it is the owner. Insurance shall include, at all times, both general liability (\$2,000,000) and property insurance (\$1,000,000). The District shall be named as additional insured on the policies. If the District opts to purchase the PV system, Tandem/WHC shall no longer be responsible for insurance. In any event, it shall be the responsibility of the District to notify its current insurance policy holder of the proposed solar facility, as required by the terms of its policy.

6.0 PV SYSTEM REMOVAL

Tandem shall bear the sole responsibility of removing the PV system at the end of the twenty five (25) year service term (PPA Term) should the District, in its sole discretion, opt not to purchase the PV system.

7.0 LICENSING/CERTIFICATION

The Contractor, WHC, is a fully licensed and bonded General Building Contractor and Electrical Contractor in the State of California, holding both the Class B and Class C10 licenses.

License #: 578578
Expiration Date: September 30, 2015



License Number	578578	Extract Date 8/24/2014
	WEST HILLS CONSTRUCTION INC	
Business Information	Business Phone Number: (800) 515-5270	
	423 JENKS CIRCLE STE 101 CORONA, CA 92880	
Entity	Corporation	
Issue Date	09/29/1989	
Expire Date	09/30/2015	
License Status	ACTIVE	
	This license is current and active. All information below should be reviewed.	
	CLASS	DESCRIPTION
Classifications	B	GENERAL BUILDING CONTRACTOR
	C10	ELECTRICAL

Courtesy: CSLB – www.cslb.ca.gov

8.0 CONTRACTOR QUALIFICATION

8.1 Tandem Solar, Inc.

Tandem Solar is an experienced solar developer and integrator, delivering premium solar solutions to Homes, Businesses, Tribal Sovereign Nations and Local Governments throughout Southern California and Arizona. Tandem’s core management team has over 50 years of combined experience in the fields of solar technology, project development, design, installation and operations. With an active equipment wholesale business and our preferred distributor status with leading solar equipment manufacturers, our clients know they are benefitting from some of the most competitive hardware pricing on the market. Tandem Solar is part of the Tandem Group of Companies, which is a fully integrated real estate firm that has been active for over 30 years. Primarily, the Tandem Group operates as a conduit for European investors, and the organization has sourced over 500 million dollars of equity funds in support of its real estate and investment activities, which represents over 1.2 Billion in transactions in North America.

With regards to solar, the Tandem Group is an owner of 4.3 MW of operating solar facilities, with another 10.8 MW in development in both the US and Canada.

Tandem’s senior management and director is a team with expertise in the areas of development and construction and asset management and with relationships in all related and supporting disciplines.

Status (private/publicly-held): Private
Number of employees: 4
States in which you do business: CA, AZ



Target customers: Commercial, Residential, Government, Tribal Sovereign Nations
Project team profile:

Peter Vogel – Development Project Management

Peter is the President, General Manager and co-founder of Tandem Solar, Inc., a California-based solar developer and integrator based in Borrego Springs, CA and is directly responsible for the successful completion and operation of multiple PV systems in the community of Borrego Springs. Prior to founding Tandem Solar Inc., Peter was the Executive Vice President of Wirsol Solar Canada, a subsidiary of Wirsol AG, at the time one of the 5 largest turnkey solar providers in the world. At Wirsol, Peter was tasked with overseeing the development and financing of 6 500kW+ utility-scale solar PV projects in Ontario, Canada. From 2008-2010, Peter was a Development Associate and Development Project Lead at ROEM Corporation, a San Jose, CA-based real estate developer, successfully overseeing the design, permitting approval and financing of eight new-construction residential and mixed-use projects, valued at over US \$200M. Prior to his tenure at ROEM, Peter served as Director of Marketing at Sundance Development Corporation, a regional homebuilder based in Toronto, Canada. Peter holds a Bachelor’s degree in Business Administration from the University of San Francisco and a Master’s degree in Real Estate Development from the University of Southern California in Los Angeles.

Sean Overbeck – Procurement

Sean is the President and co-founder of Tandem Solar Systems, Inc., the equipment wholesale and distribution sister company of Tandem Solar, Inc., where he oversees the organization’s day-to-day sales and logistics operations. Tandem Solar Systems provides solar equipment procurement services to solar developers and installers throughout North and South America and the Carribean. Previously, Sean was the president of Wirsol Solar Americas, a subsidiary of Wirsol AG, at the time one of the 5 largest turnkey solar providers in the world. Sean led the organizations wholesale and distribution business in the Americas. Prior to his tenure at Wirsol, Sean was Operations Manager at Power One, one of the industry’s leading power electronics manufacturers.

Sean is an energetic management professional versed in business management, finance and sales. Emphasizes process improvement to increase profits and customer satisfaction.

Skill Highlights:

- Business Operations Organization Management
- Leadership/ Communication skills
- Cost Reduction

Professional Experience:

General Manager

Borrego Water District WWTP	
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February 2014 – Current

Tandem Solar Systems, Inc.

- Developed North American Wholesale business
- Sales Channel development of \$3.0M yearly run rate
- Staffed and managed 6 person support staff

Vice President & General Manager, North America

August 2012 to January 2014

Wirsol Solar Americas - Irvine, CA

- Process Development and Execution
- Mergers and Acquisitions
- Customer Oriented

Accountable for development and growth of North American Wholesale/ Distribution business

Established sales channel of \$2.0M yearly run rate in first year of existence

Worked closely with US solar project development team to create leads, submit quotations, and close agreements. Multiple projects won in first quarter of existence

Created and managed 5 person, commission based sales support staff

Director, Corporate Operations

October 1998 to August 2012

Power-One, Inc. - Camarillo, CA

Managed Global Operations including 4 manufacturing facilities and 5 contract manufacturers
Championed establishment of North American manufacturing facility and transfer of renewable energy products to North America

Developed partnership with contract manufacturer in Canada to satisfy local requirements of manufacturing Spearheaded process improvement project which increased gross margin from 19% to 28% in 9 months

Education

BBA : Business Management, 1999

California State University, Northridge - Northridge, CA, United States



Team leader for the entire Proposal:

Peter Vogel
General Manager
Tandem Solar Inc.

3845 Yaqui Pass Rd.
Borrego Springs, CA 92004

(760) 917-8578
pvogel@tandem-solar.com

Entities, sub-contractors, persons or firms involved in the Proposal and their role/responsibility:

West Hills Construction: design, installation, commissioning, operations and maintenance support

Additional consultants and professionals involved in the Proposal:

n/a

Lead person responsible for each of the entities or firms described above

West Hills Construction: Glenn Cole (contact information below)

8.2 West Hills Construction, Inc.

WHC Company History - Energy

In 2006 we opened an office in Chino, California to begin a focus on the sale, development and implementation of solar and other types of renewable energy to help combat the rising energy costs of our construction clients.

After conducting exhaustive audits of a facility’s energy consumption we then designed unique plans to offset, and in some cases eliminate, their energy bills. Various components are considered to suit a project’s needs, including: Power Conditioning measures, Lighting Retrofits, Green Insulation measures, hybrid HVAC components and retrofits, Photovoltaic installations on the premises, Fuel Cell, Micro-Turbines, Advanced Energy Storage and Wind Turbine solutions.

We quickly found shortcomings with standard photovoltaic technology systems as a total energy solution to our largest clients. So we began the research of base-load and advanced energy storage technologies which allowed us to become an authority in co-generation and battery storage measures.



Once we jumped to a multi-technology layering approach it became clear we had to have a comprehensive knowledge of available and developing commercialized technologies to identify the best solution for any job.

Due to the infancy of the industry we also found a deficiency in available software dedicated to evaluation measures and techniques. We've since employed an in-house software development team to create solutions that integrate engineering, technology and financial aspects of a given installation, from Net Energy Metering Photovoltaic projects to a Transmission Utility Grade Wind farms. With the advent of our proprietary software packages, which are unavailable on the public market, we have become one of the foremost experts in utility rate and tariff analytics.

Economic turbulence came to the construction industry in 2008 in which we witnessed many developers lose work or exit the unstable market altogether. During this time we began pursuing ownership and operation of our own installations and in 2010 completed the first distribution utility grade photovoltaic system in Southern California Edison's territory - a 1MW roof-mounted project on a building we'd previously constructed in 2005 which was then interconnected before executing a PPA under the California Renewable Energy Small Tariff (CREST) program.

This project was our first test site that proved viability for our larger development program we are currently seeking equity investors for. In fact it was so successful that we believe distribution utility grade projects to be more viable and profitable than transmission utility grade projects, which fit within our company history and experience perfectly.

The first SCE CREST site was completed in 2010 by WHC, since then we have completed the third (3rd) and fourth (4th) projects in SCE's CREST program, both being 1.5MW fixed-tilt ground mount systems in Palmdale, CA in 2011, and 2012.

In the same year we were also recognized with an industry prestigious "Inventor of the Month" award by AutoDesk for innovation of design and implementation with a wide-variety of their products. An award that is only granted to twelve companies each year, AutoDesk was impressed with our ability to utilize their product in ways and industries they weren't even aware of. We've since their software, coupled with our own in-house software through the engineering, financial and sales cycle of our projects. This has increased our competitiveness through lean product engineering and development strategies.

In summary, we have developed the best energy division in the nation. By evaluation a project and scenario with an "outside the box" attitude we have catapulted our projects and pipeline three years ahead of anyone in the industry.

With over six years and millions of dollars invested in training and development in these new technologies we have effectively positioned ourselves at the head of the pack in this budding industry. This assertion is further reinforced by our vast construction experience which has proven an invaluable asset when designing projects from the ground up or retrofitting existing buildings with new equipment. The robust knowledge base offers absolute confidence when maintaining any roof structure, roof membranes and ground-mount installations.



Status (private/publicly-held): Private
Number of employees: 78
States in which you do business: CA, OK, AR
Target customers: Commercial, Industrial, Utility, Government
Project team profile: Personnel will be allocated and placed to the job based on availability and current projects under construction. Glenn Cole will be the project manager assigned.

Glenn Cole – Construction Project Management

Glenn has been with West Hills Construction for over 20 years, in that time having performed exceptionally in the roles of both project manager and site superintendent. He has extensive trade experience in electrical, PV, structural and grading and civil. Glenn is currently managing the construction of 11 MW of PV systems and was the lead project manager for several of WHC’s showcase solar projects, including, most recently, Forever 21 (5,072 kW) and the John McLellan VA hospital (1,876 kW).

Team leader (WHC):

Glenn Cole
 Project Manager
 West Hills Construction, Inc. – Energy Division

423 Jenks Circle Suite #101
 Corona, CA 92880

(800) 515-5270 – Office
 (800) 515-5260 – Fax
 glenn@whc.us.com

Identification of each entity, sub-contractor, person or firm involved in the Proposal and their role/responsibility.

Currently, the project has been planned such that WHC would self-perform all work

Identification of the lead person responsible for each of the entities or firms described in above.

West Hills Construction - Glenn Cole



9.0 CONTRACTOR EXPERIENCE

9.1 Average commercial grid-connected PV system size installed during the last five years:

1,344.9 kW (1.34 MW) from a total of 16 systems.

9.2 Total commercial MW of grid-connected PV systems installed under a Power Purchase Agreement.

As the design/build contractor, WHC is not involved in the structuring of the ownership entity nor any power purchase agreement that may exist. Installation/EPC contracts are subject to non-disclosure provisions. The information provided herein has been authorized for release by the project owners for the purposes of a public Request for Proposals/Qualifications. Owners have declined further information being given, including their contact details until such time as a contract is imminent.

9.3 Experience with SDG&E.

WHC has and is currently developing projects under SDG&E’s Renewable Market Adjusting Tariff (Re-MAT) Program and has also successfully coordinated with SDG&E’s utility scale interconnection departments, specifically with regards to interconnections governed by SDG&E’s Wholesale Distribution Open Access Tariff (WDAT). Currently, WHC has over 12MW of development in the SDG&E Re-MAT Program.

9.4 Experience with local government projects.

None. Federal Government projects only.

10.0 CONTRACTOR REFERENCES

Installation/EPC contracts are subject to non-disclosure provisions. The information provided herein has been authorized for release by the project owners for the purposes of a public Request for Proposal/Qualifications. All owners have declined further information being given, including their contact details, until such time as a contract is imminent.



	Project Name/Location	Role	Description	Type	Owner	Availability	Rating
1	40473 Desert Creek Ln. Rancho Mirage, CA	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	Antun Barbato	90%+	49.7 kW
2	30801 Agoura Rd. Agoura Hills, CA 91301	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	Farmers Insurance	90%+	268.8 kW
3	31051 Agoura Rd. Agoura Hills, CA 91363	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	Farmers Insurance	90%+	168.84 kW
4	301 S. Rose Ave Oxnard, CA 93030	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	Harry Ross Industries	90%+	924.6 kW
5	8875 Avenue L-8 Palmdale, CA 93550	Design/Build General Contractor	Ground-Mount, Fixed-Tilt	PV	Heliocentric, LLC	90%+	1,719 kW
6	8871 Avenue L-8 Palmdale, CA 93550	Design/Build General Contractor	Ground-Mount, Fixed-Tilt	PV	L-8 Solar Project, LLC	90%+	1,719 kW
7	762 West Cypress San Dimas, CA 91773	Design/Build General Contractor	Ground-Mount, Fixed-Tilt	CPV	McKinley Children's Center	90%+	496 kW
8	921 NE 13th Street Oklahoma City, OK 73104	Design/Build General Contractor	Carport, Fixed-Tilt	PV	Oklahoma City VA Hospital	90%+	900 kW
9	4300 W. Seventh St. Little Rock, AR 72205	Design/Build General Contractor	Carport, Fixed-Tilt	PV	John L. McLellan VA Hospital	90%+	1876 kW
10	14545 Hook Blvd., Victorville, CA 92394	Design/Build General Contractor	Carport, Fixed-Tilt	PV	High Desert Church	90%+	331.2 kW
11	1053 S. Vail Ave., Montebello, CA 90640	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	Harry Ross Industries	90%+	489.44 kW
12	909 Colon Ave. Wilmington, CA 90744	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	RLW Developments, LLC	90%+	1470 kW
13	11115 Laurel Canyon Blvd. Los Angeles, CA 91340	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	RLW Developments, LLC	90%+	509 kW
14	19801-19851 Nordhoff Pl. Chatsworth, CA 91311	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	MKM Oakdale Solar LLC	90%+	1319 kW
15	3880 N. Mission Road Los Angeles, CA 90031	Design/Build General Contractor	Rooftop, Fixed-Tilt	PV	Forever 21	90%+	5072 kW
16	Avenue P Palmdale, CA 93550	Design/Build General Contractor	Ground-Mount, Single-Axis Tracker	PV	Little Rock Pham Solar, LLC	90%+	4206 kW
AVERAGE kW							1,344.91
TOTAL kW							21,518.58

Tandem/WHC have confirmed that the proposed technology and equipment meets or exceeds all currently applicable and proposed safety and interconnection standards. All equipment components are, at minimum, UL certified, and meet existing facility structural and fire safety requirements. Evidence of safety certifications are provided in the equipment specifications sheets included in **Attachment A – System Detail**.

11.0 POWER PRODUCTION ESTIMATE

Tandem and WHC's engineers have completed the initial system design and power production estimates for the proposed solar facility. Performance estimates were obtained via PVSyst energy modelling software, the industry standard application for this type of analysis. The system design was optimized based on engineering best practices and Tandem and WHC's experience in planning, building and successfully operating solar PV facilities. Estimates for system efficiency and power output (in kilowatt-hours) take into account the specific design of the system (layout and hardware components) as well as historic environmental data.



The estimated annual output of the system is as follows*:

Photovoltaic Potential*:	1,749 kWh/kWp
System Size:	96.0 kWp (DC)
Energy Production:	167,900 kWh/year

**All numbers are Year 1 values unless otherwise noted*

Year 1-4 estimated output is 0.2 % - 1.7% higher than the annual electrical consumption of the WWTP, based on 2013 figures. The reason for this is two-fold:

1. To ensure there is a buffer in production should electrical usage at the WWTP experience an increase.
2. To offset the natural degradation of panels over time and ensure that the majority of power will always be produced by solar, thereby minimizing the District’s exposure to variable SDG&E rates.

12.0 PRICING

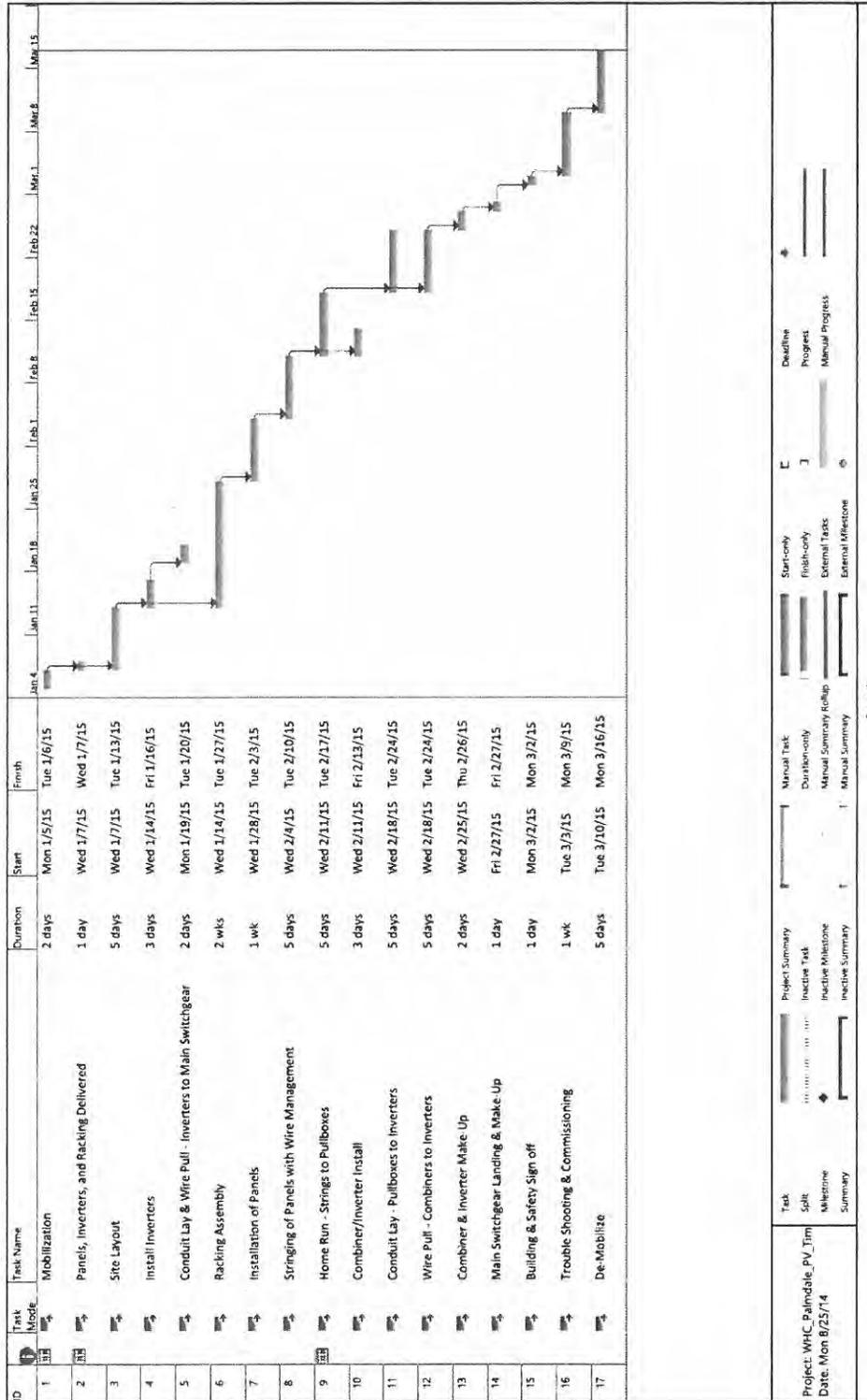
PPA Price:	\$0.138/kWh
PPA Term:	25 Years
Escalator:	2% per year
Purchase Option:	District to have option to purchase the system from Tandem at the end of Year 6 of the PPA term
End of Term:	System to be removed by Tandem or purchased by the District for \$1.00
Operation & Maintenance:	Included in PPA (Provided by Tandem)
Design:	Per the layout included in Attachment A
Expected Output:	167,900 kWh/year

13.0 SCHEDULE

Detailed Design & Planning:	3 Weeks
Permitting:	5 Weeks
Construction Duration:	12 Weeks
<u>Inspections:</u>	<u>2 weeks</u>
Total:	22 weeks

Tandem took the initiative, at its own expense, to retain a consultant to confirm the status of the WWTP property with regards to compliance with the biological requirements of CEQA. This was done in anticipation of what would be necessary to expedite the project should Tandem be selected as the solar provider to the District. The biological survey may only be performed during the spring season.

The project's construction schedule is as follows, with a start date of Jan 5, 2015. The date was selected assuming a one-month timeframe for PPA negotiation and finalization.





14.0 FINANCIAL SUMMARY

Feasibility and costs have been established for the installation of the PV system at the District’s WWTP. Tandem has prepared a system summary detailing the equipment/size, and a sample cash flow analysis detailing expected savings (both kwh and dollar) and potential buyout implications to long-term savings. Tandem acknowledges that the proposed PV system will be located on property owned by the District.

Project Financial Data	
Current Avg. Electricity Rate (per kWh)	\$ 0.177
Annual Electricity Consumption (kWh)	165,040
Est. Annual SDGE Rate Increase	5.00%
System Size (kWp)	96,000
PPA Rate (per kWh)	\$ 0.138
Discount to SDGE Rate (Year 1)	-22.1%
Annual PPA Escalator	2.00%
PPA Term (Years)	25
1 Year Savings	6,589
6 Year Savings	55,460
10 Year Savings	117,391
15 Year Savings	231,110
20 Year Savings	395,895
25 Year Savings	626,025

Figure 1: Annual Electricity Costs (Solar vs. non-Solar)

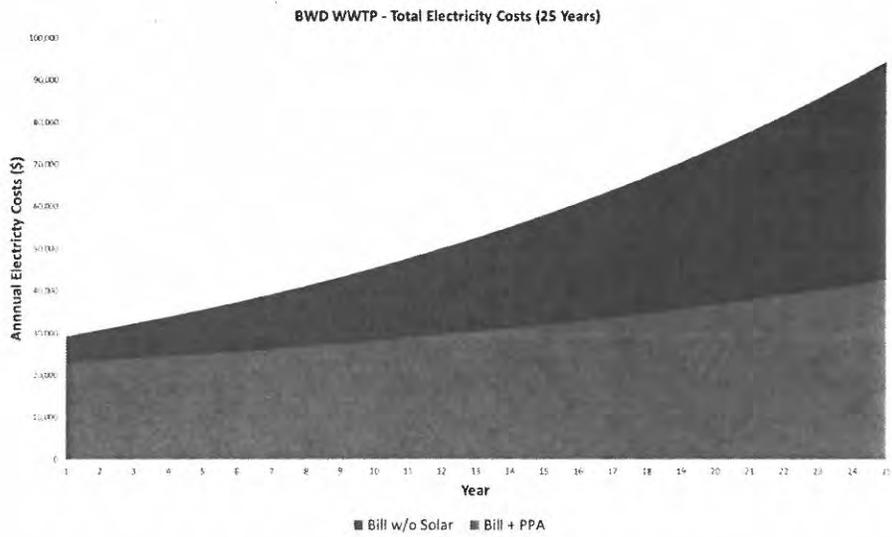




Figure 2: Annual Electricity Costs/Savings (kWh and \$)

Year	Prod. Est.	SPG&E Rate	PPA Rate	Rate Savings (%)	Avoided Cost	PPA Payment	Net Savings	Usage	System Prod.	% from PV	Bill w/o Solar	Bill + PPA	% Bill Savings
1	167,900	0.177	0.138	-22.1%	29,759	23,170	6,589	165,040	167,900	101.73%	29,252	22,663	22.52%
2	167,061	0.186	0.141	-24.4%	31,091	23,515	7,576	165,040	167,061	101.22%	30,715	23,139	24.66%
3	166,225	0.195	0.144	-26.5%	32,482	23,866	8,616	165,040	166,225	100.72%	32,251	23,634	26.72%
4	165,394	0.205	0.146	-28.6%	33,936	24,221	9,714	165,040	165,394	100.21%	33,863	24,149	28.69%
5	164,567	0.215	0.149	-30.7%	35,454	24,582	10,872	165,040	164,567	99.71%	35,556	24,664	30.58%
6	163,744	0.226	0.152	-32.6%	37,041	24,949	12,092	165,040	163,744	99.21%	37,334	25,242	32.39%
7	162,926	0.238	0.155	-34.6%	38,699	25,320	13,378	165,040	162,926	98.72%	39,201	25,823	34.13%
8	162,111	0.249	0.159	-36.4%	40,430	25,698	14,733	165,040	162,111	98.23%	41,161	26,428	35.79%
9	161,300	0.262	0.162	-38.3%	42,240	26,080	16,159	165,040	161,300	97.73%	43,219	27,060	37.39%
10	160,494	0.275	0.165	-40.0%	44,130	26,469	17,661	165,040	160,494	97.25%	45,380	27,719	38.92%
11	159,691	0.289	0.168	-41.7%	46,105	26,863	19,241	165,040	159,691	96.76%	47,649	28,408	40.38%
12	158,893	0.303	0.172	-43.4%	48,168	27,264	20,904	165,040	158,893	96.28%	50,031	29,127	41.78%
13	158,098	0.318	0.175	-45.0%	50,323	27,670	22,653	165,040	158,098	95.79%	52,533	29,879	43.12%
14	157,308	0.334	0.179	-46.6%	52,575	28,082	24,493	165,040	157,308	95.32%	55,160	30,666	44.40%
15	156,521	0.351	0.182	-48.1%	54,928	28,501	26,427	165,040	156,521	94.84%	57,918	31,490	45.65%
16	155,739	0.368	0.186	-49.6%	57,386	28,925	28,461	165,040	155,739	94.36%	60,813	32,353	46.80%
17	154,960	0.387	0.189	-51.0%	59,954	29,356	30,598	165,040	154,960	93.89%	63,854	33,256	47.92%
18	154,185	0.406	0.193	-52.4%	62,637	29,794	32,843	165,040	154,185	93.42%	67,047	34,203	48.99%
19	153,414	0.427	0.197	-53.8%	65,440	30,238	35,202	165,040	153,414	92.96%	70,399	35,197	50.00%
20	152,647	0.448	0.201	-55.1%	68,369	30,688	37,680	165,040	152,647	92.49%	73,919	36,239	50.98%
21	151,884	0.470	0.205	-56.4%	71,428	31,145	40,283	165,040	151,884	92.03%	77,615	37,332	51.90%
22	151,125	0.494	0.209	-57.6%	74,624	31,610	43,015	165,040	151,125	91.57%	81,496	38,481	52.78%
23	150,369	0.518	0.213	-58.9%	77,964	32,081	45,883	165,040	150,369	91.11%	85,571	39,687	53.62%
24	149,617	0.544	0.218	-60.0%	81,453	32,559	48,894	165,040	149,617	90.66%	89,849	40,955	54.42%
25	148,869	0.572	0.222	-61.2%	85,098	33,044	52,054	165,040	148,869	90.20%	94,342	42,287	55.18%
TOTAL	3,955,044				1,321,715	695,690	626,025	3,300,800	3,955,044	95.86%	1,396,127	770,102	



Figure 3: Buyout Option

Buyout Option			
Avoided Cost	PPA Payment	Net Savings	Purchase
29,759	23,170	6,589	
31,091	23,515	7,576	
32,482	23,866	8,616	
33,936	24,221	9,714	
35,454	24,582	10,872	
37,041	24,949	12,092	(231,827)
38,699		38,699	38,699
40,430		40,430	40,430
42,240		42,240	42,240
44,130		44,130	44,130
46,105		46,105	46,105
48,168		48,168	48,168
50,323		50,323	50,323
52,575		52,575	52,575
54,928		54,928	54,928
57,386		57,386	57,386
59,954		59,954	59,954
62,637		62,637	62,637
65,440		65,440	65,440
68,369		68,369	68,369
71,428		71,428	71,428
74,624		74,624	74,624
77,964		77,964	77,964
81,453		81,453	81,453
85,098		85,098	85,098
931,148	144,304	786,844	499,557
			IRR for BWD
			19.96%
			Payback
			6.5 Years



15.0 ATTACHMENTS

Attachment A – System Detail

Vertical text or stamp, possibly a page number or reference, located in the lower right quadrant of the page.

Borrego Water District

Viking Ranch Note "Take Out" - 10-Year Amortization

\$1.125 Million

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2014	-	-	-	-
12/01/2015	97,575.15	3.100%	34,124.61	131,699.76
12/01/2016	100,623.42	3.100%	31,076.34	131,699.76
12/01/2017	103,766.93	3.100%	27,932.83	131,699.76
12/01/2018	107,008.62	3.100%	24,691.13	131,699.75
12/01/2019	110,351.61	3.100%	21,348.15	131,699.76
12/01/2020	113,799.02	3.100%	17,900.74	131,699.76
12/01/2021	117,354.12	3.100%	14,345.64	131,699.76
12/01/2022	121,020.30	3.100%	10,679.46	131,699.76
12/01/2023	124,801.01	3.100%	6,898.75	131,699.76
12/01/2024	128,699.82	3.100%	2,999.94	131,699.76
Total	\$1,125,000.00	-	\$191,997.59	\$1,316,997.59

Yield Statistics

Bond Year Dollars	\$6,193.47
Average Life	5.505 Years
Average Coupon	3.1000000%
Net Interest Cost (NIC)	3.1000000%
True Interest Cost (TIC)	3.1000000%
Bond Yield for Arbitrage Purposes	3.1000000%
All Inclusive Cost (AIC)	3.1000000%

IRS Form 8038

Net Interest Cost	3.1000000%
Weighted Average Maturity	5.505 Years

Borrego Water District

Viking Ranch Note "Take Out" - 15-Year Amortization

\$1.125 Million

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2014	-	-	-	-
12/01/2015	57,518.71	3.650%	40,542.39	98,061.10
12/01/2016	59,637.31	3.650%	38,423.79	98,061.10
12/01/2017	61,833.93	3.650%	36,227.17	98,061.10
12/01/2018	64,111.47	3.650%	33,949.64	98,061.11
12/01/2019	66,472.88	3.650%	31,588.22	98,061.10
12/01/2020	68,921.28	3.650%	29,139.82	98,061.10
12/01/2021	71,459.87	3.650%	26,601.24	98,061.11
12/01/2022	74,091.95	3.650%	23,969.15	98,061.10
12/01/2023	76,820.99	3.650%	21,240.11	98,061.10
12/01/2024	79,650.54	3.650%	18,410.56	98,061.10
12/01/2025	82,584.31	3.650%	15,476.79	98,061.10
12/01/2026	85,626.15	3.650%	12,434.96	98,061.11
12/01/2027	88,780.01	3.650%	9,281.09	98,061.10
12/01/2028	92,050.06	3.650%	6,011.04	98,061.10
12/01/2029	95,440.54	3.650%	2,620.56	98,061.10
Total	\$1,125,000.00	-	\$345,916.53	\$1,470,916.53

Yield Statistics

Bond Year Dollars	\$9,477.17
Average Life	8.424 Years
Average Coupon	3.6499999%
Net Interest Cost (NIC)	3.6500000%
True Interest Cost (TIC)	3.6500000%
Bond Yield for Arbitrage Purposes	3.6500000%
All Inclusive Cost (AIC)	3.6500000%

IRS Form 8038

Net Interest Cost	3.6500000%
Weighted Average Maturity	8.424 Years

Borrego Water District

Viking Ranch Note "Take Out" - 20-Year Amortization

\$1.125 Million

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2014	-	-	-	-
12/01/2015	37,424.10	4.050%	45,187.38	82,611.48
12/01/2016	38,955.13	4.050%	43,656.35	82,611.48
12/01/2017	40,548.78	4.050%	42,062.70	82,611.48
12/01/2018	42,207.63	4.050%	40,403.85	82,611.48
12/01/2019	43,934.35	4.050%	38,677.13	82,611.48
12/01/2020	45,731.71	4.050%	36,879.77	82,611.48
12/01/2021	47,602.59	4.050%	35,008.89	82,611.48
12/01/2022	49,550.02	4.050%	33,061.46	82,611.48
12/01/2023	51,577.12	4.050%	31,034.37	82,611.49
12/01/2024	53,687.14	4.050%	28,924.34	82,611.48
12/01/2025	55,883.49	4.050%	26,728.00	82,611.49
12/01/2026	58,169.68	4.050%	24,441.80	82,611.48
12/01/2027	60,549.40	4.050%	22,062.08	82,611.48
12/01/2028	63,026.49	4.050%	19,585.00	82,611.49
12/01/2029	65,604.90	4.050%	17,006.58	82,611.48
12/01/2030	68,288.80	4.050%	14,322.68	82,611.48
12/01/2031	71,082.50	4.050%	11,528.98	82,611.48
12/01/2032	73,990.49	4.050%	8,620.99	82,611.48
12/01/2033	77,017.45	4.050%	5,594.03	82,611.48
12/01/2034	80,168.23	4.050%	2,443.25	82,611.48
Total	\$1,125,000.00	-	\$527,229.63	\$1,652,229.63

Yield Statistics

Bond Year Dollars	\$13,018.02
Average Life	11.572 Years
Average Coupon	4.0500000%
Net Interest Cost (NIC)	4.0500000%
True Interest Cost (TIC)	4.0500000%
Bond Yield for Arbitrage Purposes	4.0500000%
All Inclusive Cost (AIC)	4.0500000%

IRS Form 8038

Net Interest Cost	4.0500000%
Weighted Average Maturity	11.572 Years

Wednesday, September 19, 2014

Mr. Jerry Rowling
General Manager
Borrego Water District
P.O. Box 1870
806 Palm Canyon Drive
Borrego Springs, CA 92004
Re: Financial Advisor Services Agreement

Dear Mr. Rowling:

Thank-you for requesting that Stern Brothers & Co. ("Stern") provide and engagement letter to provide investment banking services to the Borrego Water District (the "District") in connection with the Stern's proposed refunding of the District's Viking Ranch Loan (the "Refunding").

This proposal contemplates Stern's provision of the investment banking services described herein to assist the District in financing the Refunding as described below. It is premised upon information obtained through your audited financial statements and discussions held with the District via telephone (most recently Tuesday, September 16, 2014). The proposal reflects Stern's extensive experience with numerous, successful port finance transactions, including our teams several decades of work in this area.

Our experience teaches that each project finance transaction is unique, and that a financing solution must be tailored to the particular facts and circumstances of an individual project. A solution tailored to your project and the District's needs is what Stern offers, which is reflected in the services we propose to provide. At the outset, however, and in order to ensure the responsiveness of our proposal to the District's needs, I want to share Stern's current understanding of the facts and circumstances surrounding the proposed refunding, set forth Stern's vision of how the District should approach the financial markets in order to most certainly achieve its objectives, and finally, set forth the terms of the engagement for the Services we would provide to assist it in doing so.

Understanding of Facts and Circumstances

Stern Brothers understanding of the engagement is as follows:

1. To structure an economically beneficial refunding of a debt acquired in the process of acquiring a parcel of property generally referred to as "Viking Ranch" resulting in the option to exercise a 20% principal markdown on the current note as well as creating a debt service schedule which is manageable under projected revenues for the District;

Stern's Approach

With the preceding facts and circumstances in consideration we at Stern Brother's recommend approaching this refunding package as a private placement with a backstop option of a public issue should factors cause private placement buyers not respond to the offering.

Why a private placement?

Stern recommends approaching this issue as a private placement for the following reasons:

1. Size of issue: As the size of this refunding is \$1.125 million it is on the smaller size of issues. With refundings of this size the combined cost of issuance (underwriting, legal and trustee fees as well as other costs of issuance) can quickly eat into the savings the issue is structured to create.

- By structuring the refunding as a private placement the costs of issuance are kept low to allow for maximum savings;
2. Length of issue: As the final maturity is projected to be between 10- and 20-years the proposed refunding has appeal to a broad range of Direct Placement/Private Placement buyer's. Generally speaking most issues with maturities more than 20-years out are not attractive as private placements.
 3. Timing: A private placement provides an attractive alternative to traditional underwritings as they require less documentation than a traditional underwriting and often (but not guaranteed) provide an opportunity to avoid supplementary activities such as rating agency presentations and pre-marketing efforts;
 4. Elimination of Debt Service Reserve Fund: An additional benefit to private placements is the possibility of no or reduced debt service reserve fund requirements. This is not a guaranteed result but one that is addressed in almost all private placements and is often a request granted by placement buyers. This is rarely the case for Revenue Bonds where such reserves or a surety in lieu is essentially mandatory.
 5. Lesser Continuing Disclosure Requirement: Private Placements do not require the same continuing disclosure requirements of traditional bonds. This eliminates the several man hours required and often between \$2,500 and \$4,000 per year continuing disclosure fee (fee costs are best estimates of the costs of filing continuing disclosure with Bloomberg, DTC, FINRA, etc).
 6. Bank Qualified status: As the District can reasonably expect to issue less than \$10 million in the calendar year the debt can likely be designated as "Bank Qualified" or a qualified tax-exempt obligation. When purchased by a commercial bank for its portfolio (a key market for private placements), the bank may deduct a portion of the interest cost of carry for the position.

What if a private placement is not an option?

Appreciating the uncertainty of the financial markets Stern does not approach any private placement without considering the "Plan B" option of a public issue. In doing so we would keep flexibility in the schedule to allow for more time to address matters required in a traditional underwriting versus a private placement including:

- Higher likelihood of rating agency presentations;
- Investigating bond insurance;
- Additional document drafting;
- Marketing of bonds.

Please see the schedule included in *Appendix C* which addresses these matters.

Engagement

As presented in emails and conversations between District Staff and Officials with Stern Staff addressing the refunding options available to the District we understand the Client seeks to secure senior tax-exempt debt financing, as applicable, for the purpose of refunding outstanding bonds and loans held by the District.

The District hereby engages Stern as its exclusive private placement agent or investment banker during the term of this Agreement, as defined herein, to manage the financing or private placement, on a best efforts, all-or-none basis, all manner of tax-exempt and/or taxable bonds for such purposes (the "Private Placement" or "Bonds"). The preceding is hereinafter referred to as the "Assignment" or the "Financing." No obligation or undertaking of Stern set forth in this Agreement shall be deemed or interpreted as a firm commitment to underwrite the Financing, unless an addendum hereto is made by the parties wherein Stern specifically agrees to an underwriting, in lieu of a "best efforts placement," in connection with one or more portions of the Financing.

Stern is confident that, should this agreement be approved prior to October 31, 2014 we will be able to assist Client in the accomplishment of the Assignment. It is currently anticipated that the Assignment will be accomplished prior to January 31, 2015.

Scope of Services

During the term of this Agreement, the District agrees that Stern will be its exclusive investment banker for the Assignment. Stern will, in consultation with District and its other specified advisors, coordinate all activities required to perform all aspects of its role as private placement agent or investment banker, related to the Assignment. These activities include, but may not be limited to those items enumerated in *Appendix A*. Unless otherwise specifically stated, this Agreement is not a firm commitment to purchase any securities or to secure financing or credit enhancement or a credit rating of any kind.

Responsibilities of Client

As a condition to Stern's performance under this Assignment, Client and its other specified advisors will cooperate fully and promptly with Stern including but not limited to the following:

1. Obtaining the approvals and agreements necessary from the appropriate authorities, and acknowledging all obligations necessary to complete the Assignment;
2. Honoring reasonable requests for information for the Financing as required by Stern, or other interested parties, as applicable;
3. Attending all calls, presentations, visits, and other meetings where Stern suggests that attendance or attention from Client is necessary;
4. Facilitating communication between Stern and other advisors including legal counsel;
5. Participate in conference calls or otherwise provide information to potential buyers of debt.

Fees and Expenses

In exchange for effort related to this Assignment, Stern will be entitled to fees and expenses as presented in *Appendix A*. These fees are contingent upon the completion of the financing and is payable on the closing of transaction by wire or bank transfer.

Other bond issue or financing transaction costs and expenses, including but not limited to, letter of credit, placement/loan origination fees of any lender or investor, borrower's, bond, lender's, issuer's and placement agent's counsel fees, trustee fees, printing, consultant fees, real estate recording fees, title insurance, appraisal, environmental reports and bond closing fees, will be paid by Client.

Travel and administrative expenses assumed by Stern Brothers are to be paid by the Client. These expenses are not anticipated to exceed \$1,500. Should these expenses exceed \$1,500 approval of the District for additional allocation will be required for further right of reimbursement by Stern Brothers.

Travel expenses are only to include those costs directly attributable to the financing described within this Engagement Letter and are anticipated to include items such as travel to and from the District lodging and meals (receipts or proof of cost required for all expenses and mileage charged at \$0.48 per mile),.

Administrative expenses include such items as postage and shipping, printing, presentation materials or services employed in advancement of the financing described herein. These expenses do not include regulatory costs that Stern Brothers may incur in regards to filing or processing fees charged by federal, state or regulatory agencies in conjunction with this financing (i.e Financial Industry Regulatory Authority, Municipal Securities Rulemaking Board or Depository Trust Corporation fees).

All fees and expense reimbursements are due contingent upon a successful and completed underwriting by Stern Brothers for the District.

Duration and Termination of Agreement

This Agreement shall have a term of twelve (12) months from the date of execution hereof by Client and shall automatically renew for successive six (6) month periods upon expiration of the initial term, unless otherwise extended or terminated as provided herein (the "Term"). Notwithstanding, this Agreement may be terminated by either party with or without cause, which termination shall be effective thirty (30) days after written notice is received by the other party to this Agreement. However, Client acknowledges that its right to terminate this Agreement without the written consent of Stern is subject to payment of the Break-Up Fee set forth in *Appendix A* hereof.

Client and Stern acknowledge that the provisions of *Appendix B* have been specifically agreed upon so as to not permit Client to terminate Stern for the sole purpose of avoiding paying the Success Fees rightfully earned or to be earned at final closing. In addition, the termination of this Agreement shall not affect Client's obligation to pay any fees or expenses otherwise due Stern under this Agreement.

Confidentiality

In connection with the Assignment, each party may disclose to the other confidential technical and business information that the disclosing party desires the receiving party to treat as confidential. Each party agrees that it shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the confidential information provided by the other party. Without limiting the foregoing, each party shall take at least those measures that it takes to protect its own confidential information of a similar nature, but in no case less than reasonable care. Each party understands and agrees that its breach or threatened breach of this provision will cause irreparable injury to the other party and that money damages will not provide an adequate remedy for such breach or threatened breach, and both parties hereby agree that, in the event of such a breach or threatened breach, the non-breaching party will also be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance.

Indemnification

In consideration of Stern's signing this Agreement and agreeing to perform the services pursuant hereto, Client agrees to indemnify and hold harmless Stern and each of its directors, officers, agents, employees, controlling persons (within the meaning the Securities Act of 1933, as amended) and independent contractors (including but not limited to accountants and legal counsel), to the extent provided in *Appendix B* attached hereto and incorporated herein by reference. The provisions of this Section and *Appendix B* shall survive any expiration or termination of this Agreement and shall be binding upon any successors or assigns of Client, including any debtor-in-possession or trustee in bankruptcy.

Dispute Resolution

The parties hereby waive their rights to a trial before a judge or jury and agree to arbitrate before a neutral arbitrator any and all claims or disputes arising out of this Agreement, including, but not limited to, breach of contract, breach of covenant of good faith and fair dealing, defamation, fraud, misrepresentation, claims regarding fees, infliction of emotional distress, unfair business practices, or any tort or tort-like causes of action.

The arbitrator's decision shall be written and must include the findings of fact and law that support the decision. The arbitrator's decision will be final and binding on both parties, except to the extent applicable law allows for judicial review of arbitration awards. The arbitration shall be conducted in accordance with the National Rules for the Resolution of Commercial Disputes of the American Arbitration Association. The arbitration shall take place in St. Louis, Missouri. The parties will share the costs of arbitration. The arbitrator may award attorney's fees to the prevailing party, as determined at the arbitrator's discretion. The arbitrator may award any remedies that would otherwise be available to the parties if they were to bring the dispute in court.

Enforceability of Agreement

Client agrees that any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of Missouri without regard to the conflict of laws provisions thereof. Client further agrees that if one or more provisions of this Agreement are held to be unenforceable under applicable Missouri law, such provision(s) shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provisions were so excluded and shall be enforceable in accordance with its terms.

No Assignment

This Agreement cannot be assigned by either party without the express written consent of the other party.

Not a Financing Commitment

This Agreement does not constitute an offer, approval or commitment to finance.

If the terms of this letter are acceptable to you, please sign in the space provided below, and return one executed copy of this engagement letter to the undersigned by electronic mail. Alternatively, this letter may be accepted through a verbal acknowledgement, which will include the request to initiate work on behalf of Client. We would like to thank you for the opportunity to provide investment banking services for this important Financing.

Very truly yours,

Andrew G. Ciocca
Vice President
Stern Brothers & Co.

Approved and Accepted By:

Jerry Rowling
General Manager
Borrego Water District

Dated: _____

APPENDIX A

Stern's investment banking/private placement fees and expenses are as described below.

For purposes of this agreement the term "closing" refers to the date that monies from the debt purchasing party are transferred to the District or into escrow for the District to redeem the Viking Ranch note.

Success Fee

The refunding as presented is described by the District is anticipated to result in a debt structure of between roughly \$1.125 and \$1.5 million. A flat fee has been applied to private placements of \$1.5 million or less.

The District agrees to pay Stern Brothers the following contingent or "Success" fees:

Private Placement up to \$1.5 Million

Upon closing of the successful private placement of up to \$1.5 million the District shall pay Stern Brothers a base Success Fee of \$17,500 upon closing by wire or bank transfer.

Private Placement Proceeds in Excess of \$1.5 Million

Should the District require or request funds in excess of \$1.5 million the District shall pay Stern Brothers a calculated fee of \$10 per \$1,000 at closing.

Investment Grade Traditional Underwriting

In the case of an traditional underwriting with an investment grade rating (greater than BBB- Standard & Poor's, Baa3 Moody's or BBB- Fitch or combination thereof based of the lowest rating) the District shall pay Stern Brothers a calculated fee of \$10 per \$1,000 at closing.

Sub-Investment Grade Traditional Underwriting

It is not anticipated that this refunding would achieve the goals set forth in the Engagement Letter but should the District wish to proceed under alternative objectives the following fee schedule is to be applied:

In the case of a traditional underwriting with a sub-investment grade rating (below BBB- Standard & Poor's, Baa3 Moody's or BBB- Fitch or combination thereof base off the lowest rating) the District shall pay Stern Brothers a calculated fee of \$10 per \$1,000 at closing.

Expenses

Travel and Administrative Expenses

Stern's extraordinary out-of-pocket expenses in relation to the financing discussed here within, including but not limited to, travel, air courier mailings, multi-party conference calls, remote computer and internet connection charges, on-line research and presentation publishing, will be paid by the District upon closing up to \$1,500. Any travel and administrative expenses in excess of \$1,500 must be pre-authorized by the District in writing (either in hard copy or by official email from an authorized party) to be honored and reimbursed at closing.

Regulatory Fees and Expenses

In addition, other bond issue or financing transaction costs and expenses, including but not limited to, letter of credit, placement or loan origination fees of the lender or investor, derivative and reinvestment fees, borrower's, bond, lender's, issuer's, placement agent's and underwriter's counsel fees, trustee fees, rating agency fees and expenses, printing, and Stern's bond closing costs (e.g. CUSIP costs, DTC fees,

etc.), will be paid by the District up to \$2,500. Any regulatory fees or expenses in excess of \$2,500 must be pre-authorized by the District in writing (either in hard copy or by official email for an authorized party) to be honored and reimbursed at closing.

APPENDIX B

INDEMNIFICATION AGREEMENT BETWEEN DISTRICT AND STERN

The District shall indemnify and hold harmless Stern, and each entity engaged by Stern to assist in this engagement, each of their respective affiliates, members, directors, officers, agents, employees, and each other person controlling Stern or any of its affiliates (each such person, an “Indemnified Person”), from all losses, claims, damages, liabilities and expenses (including reasonable counsel fees and expenses) to which any of them may become subject arising in any manner out of the performance by an Indemnified Person of Services (as defined in the Agreement) to which this *Appendix B* is attached (collectively, “Claims”), except for Claims arising in any manner out of an Indemnified Person’s gross negligence or willful misconduct in performing the Services. If the foregoing indemnification is determined to be unenforceable by a court of competent jurisdiction or insufficient to hold Stern harmless, then the District shall contribute to the amount paid or payable by Stern as a result of such Claim in such proportion as is appropriate to reflect the relative economic interests of the District on the one hand and Stern on the other hand in the matters contemplated by this Agreement, as well as the relative fault of the District and Stern with respect to such Claim, and any other relevant equitable considerations.

If a Claim is made against an Indemnified Person for which the District is obligated to provide indemnification, the Indemnified Person shall, promptly upon learning of the existence of such Claim, notify the District of such Claim, but failure to notify the District shall not relieve the District from any liability which it may have to the Indemnified Person hereunder or otherwise, except to the extent that such failure materially prejudices the District’s right or ability to defend the Claim. If the District elects or is requested by such Indemnified Person, the District may assume the defense of the Claim, including the employment of counsel reasonably satisfactory to Stern, and the District shall pay the charges, costs, fees and expenses of such counsel. In the event, however, that the Indemnified Person reasonably determines that use of common counsel with the District would present a conflict of interest for such counsel or if the District fails to assume the defense of the Claim in a timely manner, then the Indemnified Person may employ separate counsel to represent and defend it against any such Claim and the District shall pay the charges, costs, fees and expenses of such counsel; *provided, however*, that the District shall not be required to pay the charges, costs, fees and expenses of more than one separate counsel (in addition to any local counsel), for all Indemnified Persons in any jurisdiction for any single Claim. In any Claim the defense of which the District assumes, the Indemnified Person shall have the right to participate in the proceedings and to retain its own counsel at the Indemnified Person’s own expense. The District further agrees that it will not settle or compromise or consent to the entry of any judgment in any pending or threatened Claim in respect of which indemnification may be sought hereunder (whether or not an Indemnified Person is a party therein), unless the District has given Stern reasonable prior written notice thereof and used all reasonable efforts, after consultation with Stern, to obtain an unconditional release of each Indemnified Person from all liability arising therefrom.

The rights and obligations of the Indemnified Persons under this *Appendix B* and the respective rights and obligations of the Indemnified Persons and the District under this Agreement shall be governed by and construed in accordance with internal laws of the State of California applicable to contracts executed in and to be performed in that state.

Stern Brothers & Co.

Investment Banking Since 1917

FIRM QUALIFICATIONS

Since Stern Brothers & Co.'s founding in 1917, your vision has been our mission.

With a national reputation for excellence, Stern Brothers serves as both financial advisor and underwriter. Almost a century after our founding, 100% of Stern Brothers resources are still dedicated to public finance.

The Firm is large enough to offer the most comprehensive services on transactions of all sizes and complexity, yet small enough to ensure your project will not get lost within today's immense investment banks.

In the past five years alone, Stern Brothers has served as underwriter, placement agent, remarketing agent or financial advisor for nearly 400 municipal transactions (including the last private placement by Borrego Water District) nationwide, totaling \$19.3 billion of fixed-rate bonds; and has been involved in municipal transactions totaling nearly \$100 billion. Our senior bankers work on sole or senior managed transactions where our structuring capabilities are critical, and our institutional placement relationships and capabilities enable us to offer competitive pricing. Stern Brothers specializes in project, facilities and asset based financings, with specialty practices in housing, alternative energy, healthcare, higher education, infrastructure, real estate and industrial development finance.

The Stern Brothers project and facilities finance team advises corporations, municipalities, private companies and non-profit organizations in energy and other project financing transactions throughout the United States. Representative engagements include financings of processing facilities, industrial-manufacturing equipment, developer-driven and workforce housing, mixed-use projects, distressed schools, municipal water-sewer districts and community-based centers.

Below is a brief sample of recent water system underwritings/placements Stern Brothers has served as Financial Advisor or Underwriter on:

CITY OF ONTARIO, CALIFORNIA

\$74,545,000

Ontario Public Financing Authority
2013 Water Revenue Bonds

On September 25, 2013, Stern Brothers acted as Co-Financial Advisor for the City of Ontario's issuance of tax-exempt 2013 Water Revenue Bonds (the "Bonds"). The Bonds were issued to (i) finance the acquisition and construction of certain improvements to the water enterprise (the "Water System") of the City, and to (ii) refinance an installment payment obligation of the City and the related City of Ontario Certificates of Participation (2004 Water System Improvement Project) currently outstanding in the amount of \$43,435,000 (the "2014 Certificates").

S&P rated the Bonds "AA" which rating was the existing rating for the 2004 Certificates. Credit market conditions leading up to the sale were difficult as rising Treasury yields against a backdrop of uncertainty about the Federal Reserve's timing for the ending or tapering of QE, as well as an extended period of negative investor fund flows, complicated the investor universe for municipal bonds. Investor sentiment, however, remained positive for essential purpose revenue bonds including a net revenue obligation for the City's Water System which included a current population of 165,790 and a mix of residential, commercial and industrial accounts.

The City had originally decided to pursue a competitive bid strategy for the sale of the bonds but changed, based upon market volatility and the need to explain efforts to address continuing disclosure lapses which had only recently been remedied, to a negotiated underwriting at the last moment. As Co-Financial Advisor, Stern Brothers helped coordinate an RFP process and evaluation of underwriter proposals. The selected underwriter was chosen and, after a coordinated due diligence process involving matters previously discussed with the rating agency and disclosure counsel, the Bonds were ready for a pricing on September 9th. Initial order flow

FIRM QUALIFICATIONS

from the onset was substantial with investor interest throughout the yield curve leading to up to 8 times in over-subscription in some of the maturities. A mix of coupons attracted interest from both retail and institutional accounts. As a result of the strong order book, spreads were tightened by up to 10 bps on the day of pricing. The final spreads were in line with or better than those offered in the underwriter's RFP response which were viewed as aggressive at the time of the original submission. The Bonds were sold without a debt service reserve fund and the refunding also released the debt service reserve fund from the 2004 Certificates. Present value savings were \$2.781 million or 6.40% of Refunded Par. The overall TIC for the financing was 4.755%.

Contact

Mr. Grant Yee
Director of Administrative Services
303 East B Street
Ontario, CA 91764
(909) 395-2355

CITY OF PACIFICA, CALIFORNIA

\$6,402,594.12
Pacifica Financing Authority
2012 Water Revenue Private Placement

Pursuant to an April 2011 settlement with the Regional Water Quality Control Board the City of Pacifica was required to develop a 20-year Master Plan for construction of improvements to the Wastewater System necessary to meet the requirements of the Sanitary Sewer Order (SSO) put upon the City by the California Costal Commission and EPA. In October 2011 the staff presented a comprehensive construction program that outlined the projects and tasks needed to meet the requirements of the settlement. The City subsequently engaged the services of Andrew and Dennis Ciocca at Stern Brothers & Co. to develop a financing plan that would provide for the capital funding of these improvements over three phases in order to assist City staff in determining the corresponding Sewer Service Charges that would be required to operate the system and carry out the improvement program agreed upon as part of the SSO.

With great satisfaction as to the financing plan developed the City Manager and Finance Director of Pacifica offered the role of underwriter to Stern Brothers and determined that the first phase of financing would include \$2.57 million for a equilibrium tank as well as refunding \$3.3 million in refunding revenue bonds. Having investigated the public debt markets Andrew Ciocca realized the long-term and medium-term "belly bonds" were at inflated rates due to a combination of market conditions and low institutional demand. With this situation in mind private placement buyers were contacted and following multiple bids an offer with a True Interest Cost (TIC) of 3.6003814% was accepted. In thirty days the issue was closed and funds in hand.

An additional unique feature designed into this underwriting was to include a clause for an immediate liquidation of the reserve fund created for this private placement upon the refunding of a prior 2004 bond issue. This was created to adhere to a clause in the 2004 bond indenture which required any parity debt have a reserve fund of maximum annual debt service while allowing for the most efficient use of capital. Stern Brothers is currently discussing refunding the 2004 bonds with the City of Pacifica and intend to apply the reserve funds from the 2004 and 2012 issues to reduce principal on the proposed refunding thereby substantially reducing debt service and opening up cash flow for sewer operations.

Contact

Ms. Ann Ritzma
Finance Director at the time of placement (currently Human Resources Director for Foster City, California)
610 Foster City Blvd.
Foster City, CA 94404
(650) 286-3200

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ORANGE COVE IRRIGATION DISTRICT (CALIFORNIA)

\$3,300,000.00

Orange Cove Irrigation District
2012 Refunding Revenue Bonds

Three days before Christmas 2011, as part of a standard client follow-up call, Andrew Ciocca was informed by Robert Ramirez, Finance Director of the Orange Cove Irrigation District (San Joaquin Valley of California) that a prior banker who was offering packaged USDA 9d contract buyout financings (water rights contract) had failed to deliver on certain promises and the District was in an urgent situation – a scheduled rate increase with the USDA was looming at the end of February which would occur concurrently with the expiration of a principal discount offer for early pay-off.

Within 14-days (which included Christmas and New Years) Mr. Ciocca had coordinated a first round of documents with bond counsel and was holding preliminary investor calls with the Stern Brothers trading desks in St. Louis and Kansas City (although the issue appeared to be idea for a private placement it was determined that rates would be substantially better in the public sale market.. On January 24, 2012 the bonds were sold at a rate of 3.5923% for 10-years – well below comparable issues sold around the same time.

Given the astonishing ability to take an underwriting from start to sale in under 5-weeks is one of the more proud achievements at Stern Brothers. It is the hard work of our team and efficient process that has kept Orange Cove Irrigation District a close and valued customer and friend.

Contact

Mr. Robert Ramirez
Finance Director
1130 Park Boulevard
Orange Cove, CA 93646
(559) 626-4461

PROFESSIONALS ASSIGNED

Andrew G. Ciocca



Vice President
8000 Maryland Ave., Ste 800
St. Louis, MO 63105
Phone: 415.710.8920
aciocca@sternbrothers.com

Day-to-Day Role: Lead banker and immediate contact for Hermiston, lead sizing and analytical.

Related Experience: Mr. Ciocca has been a municipal securities professional since October, 2000. During his career Mr. Ciocca has participated in over \$10 billion in underwritings including sizing new issues and refundings of taxable and tax-exempt debt as well as coordinating the regulatory documentation required in the underwriting process. He is accomplished in several areas including security sizing, escrow structuring, considerations of rating agencies and bond insurers, and has specialized in the areas of city and county revenue, tax increment/tax allocation, special district, special assessment, water and power, port and 501(c)(3) financings.

Background: Mr. Ciocca graduated from the University of Nevada, Reno in 2000 sits on the Redevelopment Agency Advisory Board for the City of Reno, sat on the 2012 City of Reno Charter Review Committee and is a member of the Regional Alliance for Downtown in Reno. Mr. Ciocca holds his Series 7, 63 and 52 licenses.

THE WEIST LAW FIRM

Municipal Bond & Securities Counsel

STATEMENT OF QUALIFICATIONS

Last Update: March 2014

**108 Whispering Pines Drive, Suite 235
Scotts Valley, California 95066**

Telephone: (831) 438-7900

WWW.WEISTLAW.COM

STATEMENT OF QUALIFICATIONS

We are pleased to have this opportunity to present our Statement of Qualifications, and summary of highlighted public finance transactions, attached as an appendix hereto, setting forth our experience as bond counsel, disclosure counsel, underwriter's counsel and securities counsel.

INTRODUCTION

As one of California's leading bond counsel firms, The Weist Law Firm has established a proven track record and an outstanding reputation in securities law and municipal bond matters, having advised clients on billions of dollars in transactions to finance California public works projects. Since our founding by municipal law and public finance lawyer Cameron A. Weist over 20 years ago, we have steadily forged a reputation as being a respected leader in the area of public finance and municipal bond law. Our time-tested prominence has spanned numerous challenging economic cycles, and we continue to thrive in the present era of ever-increasing financial and governmental regulation.

With vast experience handling all types of public securities, our California-based law firm is known for its ability to undertake any municipal financing transaction – from the most routine to the most complex. We serve state and local municipalities, national and international banks, investment banking firms and many other entities that seek the counsel of an experienced lawyer in public securities and municipal bond financing matters.

The types of projects in which our firm is engaged typically includes the financing of public facilities such as water and wastewater facilities, government buildings and facilities, irrigation and drainage facilities, educational equipment and facilities, streets, bridges, single-family and multi-family housing, recreational facilities, industrial development facilities, electrical generation and transmission facilities, alternative energy facilities and waste-to-energy facilities, police and fire facilities, parking structures, solid waste facilities, docks, wharves, harbors and port facilities, geological hazard abatement facilities, seawalls, aquaculture facilities and any other type of public project imaginable.

Our firm has been involved in, and has successfully implemented, a wide array of multi-modal financing instruments including, but without limitation, certificates of participation (COPs); installment sale obligations; water and wastewater revenue bonds; enterprise revenue bonds; Mello-Roos bonds; several variations of Joint Exercise of Powers Agency (JPA) bonds (both stand-alone and "pooled"); assessment district bonds; collateralized mortgage obligations; capital appreciation bonds; New Markets Tax Credit ("NMTC") obligations, clean renewable energy bonds, industrial development bonds; tax allocation bonds; general obligation bonds; municipal loans and leases; promissory notes; refunding bonds and notes; tax credit bonds; multi-family mortgage revenue bonds; private placement securities; interest rate strips; miscellaneous variations of swap contracts, auction rate securities, derivative securities, reinvestment contracts; and various forms of bond, grant, revenue and tax anticipation notes.

In short, WeistLaw is built upon the highest ethical standards and the trusted, lasting relationships that we have forged over the years. We leverage our wealth of experience and expertise for the benefit of our clients, and bring this to bear for each public finance project that we undertake.

INDUSTRY LEADER

For over two decades The Weist Law Firm has been a leader in the area of public finance and municipal securities law, annually ranking as one of the most active in the State of California. Our rankings reflect more than simply the volume of transactions handled by The Weist Law Firm year after year. They are evidence of the consistent quality of service rendered by our firm and the accumulated experience we draw upon to serve clients efficiently, effectively and creatively.

ACCOLADES

The Weist Law Firm has served as bond counsel on several unique bond financings over the years and has continued to occupy a prominent position in this practice area. We believe that our firm offers unparalleled experience in creatively structuring and consummating public finance transactions. Much of this experience comes from the experience we have gained over the years in “unwinding” troubled financings structured by other public finance consultants. In order to legally and effectively “dismantle” a bond transaction, it is imperative that one has the experience and know-how to put a bond issue together properly in the first place.

We have gained the reputation as a “go-to-law-firm” for complex financing structures often involving several underlying debt compositions that have been (or, are to be) commingled at a JPA level in the form of Marks-Roos pooled revenue bonds. We have also been able to help several clients design their own creative revenue bond programs that involve various diverse revenue pledges or contributions of one form or another—leading to significant cost savings and resulting in successful financings that were otherwise thought impossible. In July of 2014 we successfully structured one of California’s first privately placed Successor Agency refinancing.

The Weist Law Firm worked on one of California’s first and largest “water bank” (aquifer recharge) financings, which was underwritten on a variable, swapped to fixed multi-modal structure involving tax-exempt and taxable components. We have structured the State of California’s first ever successful purchase of securities through the Department of Commerce under the McCorquodale-Neilsen-Hauser Rural Renaissance Act of 1986. We have worked on one of the largest CREBs financings structured to date, which was issued to finance a Caltrans solar project. We prepared the documentation necessary in forming California’s first geological abatement district. We have recently helped several large national and international Banks to penetrate the public finance arena to purchase municipal securities for their own account on a privately placed basis (called “Private Placements”), which in turn has created tremendous competition leading to interest rate decline. Within the past year we have worked on over twenty such Private Placements that have each outperformed the publicly offered alternative – thereby saving our clients’ a great deal of time and money.

We also maintain an excellent working relationship with the California Department of Finance (“DOF”), United States Department of Agriculture (“USDA”) as well as SRF. Over the course of the past couple of years we have worked on some of the more complex issued ever encountered by USDA. By working in concert with the lead lawyers at USDA’s Office of General Counsel, we were able to create the internal legal templates that have led to what has turned out to be many successful project financings for our clients, as well as all other clients utilizing USDA financing in the future. This successful working relation has, in turn, led to our engagement directly with USDA to provide webinar training for all Area Specialist, with the first such webinar having taken place in 2012.

DIVERSITY AND INGENUITY

To complement The Weist Law Firm’s expertise in the municipal law, securities law and tax law aspects of public finance, we are also educated and trained in several branches of economics, urban and regional planning, public policy, business administration, operations research, demography, accounting, finance and real estate. We are able to apply these skills to a broad array of projects and programs, addressing complex issues pertaining to infrastructure development; economic development; public/private development; development feasibility; policy research; strategic planning; special tax, assessment and rate increase implementation programs.

Our dedicated broad-minded professionals bring vast experience from various disciplines to serve the increasingly sophisticated financial needs of our local government clients. We always strive to develop clear and concise reports and presentations which often times become the basis upon which government and its stakeholders gain a fundamental common understanding of the matters at hand. We have counseled literally hundreds of municipalities to navigate the myriad legal and financial impediments in order to foster successful projects that achieve public acceptance.

We have developed an expertise in joint powers authority pooled financings, lease and installment sale financings, RDA tax allocation financings—including “post-dissolution-era” refunding transactions approved through DOF, special assessment financings, Private Placements of all kinds, New Markets Tax Credit obligations, tribal economic development bonds, clean renewable energy bonds, special districts formations, USDA financings, urban redevelopment projects, impact fee financings, municipal utility district formations, capital recovery charge programs and numerous other value-added services focusing on public improvement projects.

Our extensive experience with a variety of financing techniques, and our expertise in the myriad of legal issues, including federal tax law, securities law, and state statutory and constitutional provisions, enable us to assist our clients in meeting their financing goals, and providing financial solutions that serve both the immediate and long-term best interests of each client.

We are also acutely aware of the time constraints facing each new project, and take a great deal of pride in our ability to be responsive to a client’s needs for agility and speed in concluding a transaction. We strive to take advantage of market conditions whenever it would be advantageous and we make every effort to complete a project as quickly as possible.

INDUSTRY RELATIONS

The Weist Law Firm has the range of capabilities to handle all aspects of securities finance, from the routine to the complex. In addition to our extensive knowledge of debt and equity financings, we maintain a working relationship with DOF, USDA, SRF, Department of Public Health, and other state and federal agencies providing municipal finance enhancements, as well as all of the major bond insurance providers, rating agencies, and a cross section of national and international banks providing letters of credit, direct placements, and other credit enhancement products. Over the course of the past couple of years we have developed high level business relations with virtually every large national and international Bank that possesses the capability of purchasing municipal securities on a privately placed basis (called “Private Placements”), which in turn helped our clients achieve their objectives of obtaining lowest interest rates possible.

CREATING VALUE

As a complement to our bond counsel practice, we provide a full range of related legal services for our clients, such as: advising as to procurements of grant and low interest rate loans; structuring short-term bridge loans and lines of credit; advising as to refundings and debt consolidations; designating and issuing state and federal tax credit and other forms of “Stimulus Bonds;” advising as to “Prop 218” rate adjustment campaigns; sensitivity reports; formation of joint exercise of powers agencies; formation of assessment districts and community facility districts, for both pay-as-you-go public safety components, as well as for backbone infrastructure; arbitrage and rebate compliance; and General Obligation Bond campaigns.

We are a “Recognized Bond Counsel” for certain State and Federal programs such as the USDA Rural Development Grant and Loan Program and certain other such state sponsored low interest grant and loan programs. We are also a “Recognized Bond Counsel” for most statewide joint powers authorities, such as the California Statewide Communities Development Authority, the California Enterprise Development Authority, the Independent Cities Lease Finance Authority, and the like.

Many of our clients are infrequent issuers of public debt, having not been previously involved in complex public finance projects. We always take the extra time required to ensure that they are full partners in the process. Our willingness to provide enhanced customized personal service to each and every one of our clients – no matter the sophistication level – not only results in a superior transaction, but also leads to better public relations as well as better relations between staff and its board or council.

We carefully and meticulously counsel our clients about each facet of the public finance process, and about the advantages of choosing one form of technique or strategy over another. In many cases, a blending of techniques and strategies becomes the most advantageous economic strategy. In all cases, we provide clients with all the information they need to competently and successfully conclude a project.

OUR CLIENTS

We represent a variety of different types of governmental entities including cities, counties, redevelopment agencies (now, Successor Agencies and Oversight Boards), joint powers authorities, water agencies, sanitary districts, irrigation districts, community services districts, port authorities, transportation agencies, tribal nations, non-profit organizations, utility districts, school districts, community college districts, harbor districts, fire districts and various other special districts throughout California.

We provide the appropriate legal, tax and disclosure advice and act as liaison between staff, financial advisor, underwriter, trustee and bondholder. We “quarterback” each transaction with diligence and professionalism. This allows us to foster teamwork that typically results in fully developed strategies that accommodate the desires of the issuer, while at the same time accounting for legal and economic peculiarities and impediments that could otherwise potentially affect the success of a public finance transaction.

“The internal standard we espouse is to earn each client’s confidence on the very first matter of involvement, and then continue earning it on every matter thereafter.”

HELPING STAFF SUCCEED

Although the client is typically the municipality as an entity, we interface with, and answer to “staff,” being the city and county managers and administrators, finance directors, treasurers, executive directors, general managers and community development directors, who, in turn, take their direction from corresponding boards of directors, boards of supervisors and city councils. We understand and relish our roll of helping “staff” succeed. We also understand politics, and the various related “pressure points” commonly associated with the financing of public improvement projects. Ensuring the legal efficacy of each transaction is our number one responsibility; however, we never lose sight of the fact that the management of perception is a crucial component of our engagement.

In addition to providing the highest caliber transactional documents, we take the time to produce well-written, clearly understandable “staff reports” and other corresponding agenda material that management can confidently rely upon when taking matters to its board or council. We are always ready to publically present the subject matter to the requisite board or council when called upon to do so by staff. We have spoken in public forums literally thousands of times, and are very comfortable and articulate in this type of setting.

In short, we serve as an extension of staff, collaborating at each step of the way on public finance projects. Saving time and money, increasing financial flexibility, enhancing staff’s knowledge and understanding of all potential legal and financial nuances, and positioning each potential project for future success are among the many benefits delivered by our focused, results-oriented practice.

PROFESSIONAL AFFILIATIONS

The Weist Law Firm is proud of its history of professional affiliations with the following organizations: State Bar of California, American Bar Association, California Association of Bond Lawyers, California Association of Sanitation Agencies, National Association of Bond Lawyers, Association of California Water Agencies, County Engineer’s Association, Bay Area Municipal Forum and Public Securities Association.

LEGAL OPINION

The professional legal opinion of The Weist Law Firm, passing upon the tax-exempt status of proceedings for the public issuance of governmental securities, is accepted by all major municipal bond underwriters, banks, and financial institutions that normally purchase these securities.

CLIENT REPRESENTATION

A list of past (some of which date back twenty years or longer) public sector clients which The Weist Law Firm has represented as either bond counsel or disclosure counsel is as follows:

CITIES

City of Anderson	City of Greenfield	City of Paso Robles
City of Arcata	City of Grover Beach	City of Pismo Beach
City of Atascadero	City of Guadalupe	City of Ridgecrest
City of Atwater	City of Gustine	City of Riverbank
City of Avenal	City of Isleton	City of San Francisco
City of Bakersfield	City of King	City of San Rafael
City of Brentwood	City of Lakeport	City of Santa Cruz
City of Capitola	City of Lemoore	City of Scotts Valley
City of California City	City of Livingston	City of Selma
City of Coalinga	City of Los Banos	City of Shasta Lake
City of Colma	City of Marina	City of Soledad
City of Colusa	City of McFarland	City of Susanville
City of Crescent City	City of Merced	City of Stockton
City of Dos Palos	City of Morgan Hill	City of Tehachapi
City of Dublin	City of Morro Bay	City of Tracy
City of Escalon	City of Oakdale	City of Yuba City
City of Firebaugh	City of Pacifica	City of Wasco
City of Fort Bragg	City of Pacific Grove	City of Watsonville
City of Fresno	City of Palm Desert	City of Woodland
City of Gonzales		

COUNTIES

County of Amador	County of King	County of Santa Cruz
County of Butte	County of Madera	County of Siskiyou
County of Calaveras	County of Mariposa	County of Stanislaus
County of Del Norte	County of Monterey	County of Sutter
County of Humboldt	County of San Bernardino	County of Tulare
County of Kern	County of San Francisco	

WATER DISTRICTS

Aromas Water District	Padre Dam Municipal Water District
Byron Bethany Irrigation District	Olivenhain Municipal Water District
Calaveras County Water District	San Lorenzo Valley Water District
Central San Joaquin Water District	Santa Nella County Water District
Clearlake Oaks County Water District	Scotts Valley Water District
Del Puerto Water District	Soquel Creek Water District
Glide Water District	South Feather Water and Power Agency
Kanawha Water District	Squaw Valley County Water District
Mammoth Community Water District	Stinson Beach County Water District
Madera Irrigation District	

OTHER DISTRICTS

Auburn Valley Community Services District	Moss Landing Harbor District
Barstow Heights Community Services District	Muroc Joint Unified School District
Bear Valley Community Services District	Needles Unified School District
Byron Sanitary District	Palo Verde Community College District
Channel Islands Community Service District	Place de Mer Geological Abatement District
Discovery Bay Community Services District	Placer County Transportation Agency
Foresthill Public Utility District	Planada Community Services District
Hartnell Community College District	Quincy Community Services District
Hayfork Fire Protection District	River High Community Services District
Humboldt Bay Harbor District	Santa Cruz County Sanitation District
Jamestown Sanitary District	Santa Cruz Port District
Janesville Union School District	Shaffer Union School District
June Lake Public Utility District	Sierra Foothills Public Utility District
June Lake Fire District	South Feather Water and Power Agency
Kern Community College District	South Placer Transportation Authority
Kirkwood Meadows Public Utility District	Sweetwater Union High School District
Lake Arrowhead Community Service District	Victor Valley Community College District
Long Beach Community College District	Victor Valley Union High School District
Luther Burbank School District	West Hills Community College District
Middletown Unified School District	West Kern Community College District

PUBLIC FINANCING AND HOUSING AUTHORITIES

Arcata Joint Powers Financing Authority	Kanawha-Glide Public Financing Authority
Auburn Valley Public Financing Authority	King City Public Financing Authority
Avenal Public Financing Authority	Mammoth Public Financing Authority
Brentwood Public Financing Authority	Merced Public Financing Authority
Byron Bethany Public Financing Authority	Monterey Housing Authority
California Communities Development Authority	Palm Desert Financing Authority
Capitola Public Financing Authority	Pismo Beach Public Financing Authority
Coalinga Public Financing Authority	Riverbank Public Financing Authority
Crescent City Public Financing Authority	Sacramento Transportation Authority
Discovery Bay Public Financing Authority	Scotts Valley Public Financing Authority
Grover Beach Financing Authority	Selma Public Financing Authority
Humboldt Waste Management Authority	Suisun City Housing Authority
Independent Cities Finance Authority	Susanville Public Financing Authority
June Lake Public Financing Authority	Yuba City Public Financing Authority
	Wasco Public Financing Authority

REFERENCES

Please feel free to contact the following individuals as references of our ability to serve as bond counsel, disclosure counsel, underwriter’s counsel, or securities counsel:

<p>Jeffrey L. Meyer <i>Finance Director</i></p> <p>Calaveras County Water Dist. 423 E. St. Charles Street San Andreas, CA 95249 (209) 754-3102</p>	<p>Rick Gilmore <i>General Manager</i></p> <p>Byron Bethany Irrigation Dist. 7995 Bruns Road Byron, CA 94514 (925) 634-3534</p>	<p>Margaret Silveira <i>City Manager</i></p> <p>City of Lakeport 225 Park Street Lakeport, CA 95453 (707) 263-5615</p>
<p>Wayne Hammar <i>Treasurer - Tax Collector</i></p> <p>County of Siskiyou 311 Fourth St., Room 104 Yreka, CA 96097 (530) 842-8342</p>	<p>Keith M. Williams <i>Treasurer - Tax Collector</i></p> <p>County of Mariposa 5100 Bullion Street Mariposa, CA 95338 (209) 966-2621</p>	<p>Neal Lopez <i>Assist. Administrative Officer</i></p> <p>County of Del Norte 981 H Street, Room 100 Crescent City, CA 95531 (707) 464-7204</p>
<p>Cheryl Silva <i>Finance Director</i></p> <p>City of Lemoore 119 Fox Street Lemoore, CA 93245 (559) 924-6707</p>	<p>Marisela H. Garcia <i>Finance Director</i></p> <p>City of Riverbank 6707 Third Street Riverbank, CA 95367 (209) 863-7110</p>	<p>Lisa Ekers <i>Port Director</i></p> <p>Santa Cruz Port District 135 5th Avenue Santa Cruz, CA 95062 (831) 475-6161</p>
<p>Anthea G. Hansen <i>General Manager</i></p> <p>Del Puerto Water District 17840 Ward Avenue Patterson, CA 95363 (209) 892-4470</p>	<p>Jim Mueller <i>General Manager</i></p> <p>San Lorenzo Valley Water Dist. 13060 Highway 9 Boulder Creek, CA 95006 (831) 430-4625</p>	<p>Pete Yribarren <i>State Programs Director</i></p> <p>USDA Rural Development 3530 W. Orchard Ct. Visalia, CA 93277 (559) 734-8732 x108</p>

COMMITMENT TO EXCELLENCE

Highly motivated and driven by our history of success, we are continuously expanding and “fine-tuning” our capabilities in order to maintain our commitment to meeting the specialized legal and financial needs of our clients. Our proven ability to ascertain and define a client’s needs, then provide superior support and guidance each step of the way, execute on a timely basis, and close quality transactions has transpired as a result of our very real commitment to excellence.

CONCLUSION

In summary, we believe that our proven track record along with our corresponding highly-seasoned veteran public finance experience and expertise, combined with our genuine focus on helping staff to succeed on each project financing, uniquely sets us apart from all others in the industry.

We would also like to take this opportunity to thank all of our existing clients for their valued support over the years.

To our new, and prospective new, clients, we assure you that we will work to build a lasting relationship by delivering services in the highest ethical manner that reflects and respects the trust that you place in us.

APPENDIX

HIGHLIGHTED BOND AND NOTE TRANSACTIONS

- ~ Successor Agency To The Lemoore Redevelopment Agency, Lemoore Redevelopment Project, Series 2014 Tax Allocation Refunding Bonds: \$15,855,465.00
- ~ California Enterprise Development Authority, Recovery Zone Economic Development Bonds, (Biomass Waste-to-Energy Power Plant Project): \$29,930,000
- ~ South Placer Regional Transportation Authority, Lease Revenue Refunding Bonds (Transportation Refunding Project), Tax-Exempt Series 2014A Bonds: \$1,043,840
- ~ South Placer Regional Transportation Authority, Lease Revenue Refunding Bonds (Transportation Refunding Project), Taxable Series 2014B Bonds: \$1,191,849
- ~ Calaveras County Water District, Fly-In Acres Assessment District, Limited Obligation Improvement Bonds (Bank Qualified): \$2,065,327.00
- ~ South Feather Water and Power Agency, Water Revenue Refunding Bonds \$3,342,264
- ~ City of Pacifica, (Conversion of Auction Rate Certificates), Certificates of Participation: \$19,815,000
- ~ County of Siskiyou, California, Tax and Revenue Anticipation Notes: \$10,000,000
- ~ City and County of San Francisco, Certificates of Participation: \$22,549,489
- ~ City of Selma, Tax and Revenue Anticipation Notes: \$1,750,000
- ~ Discovery Bay Public Financing Authority, Series 2012 Enterprise Revenue Bonds (Water and Wastewater Financing Projects): \$14,150,000
- ~ City of Capitola, Improvement Refunding Bonds: \$3,923,000
- ~ Susanville Public Financing Authority, (Utility Enterprises Project), Refunding Revenue Bonds, Senior Series A: \$9,700,000
- ~ Susanville Public Financing Authority, (Utility Enterprises Project), Refunding Revenue Bonds, Subordinate Series B: \$25,160,000
- ~ Hayfork Fire Protection District, Certificates of Participation, Public Safety Facility Project: \$600,000
- ~ City of Gustine, Certificates of Participation, City Hall Project: \$950,000
- ~ Grover Beach Improvement Agency, Tax Allocation Bonds: \$4,390,000

- ~ Riverbank Redevelopment Agency (Stanislaus County), Riverbank Reinvestment Project, Tax Allocation Bonds: \$12,315,000
- ~ Riverbank Redevelopment Agency (Stanislaus County), Riverbank Reinvestment Project, Tax Allocation Housing Set-Aside Bonds: \$3,120,000
- ~ California Alternative Energy and Advanced Transportation Authority, Clean Renewable Energy Bonds, (CalTrans Projects): \$19,999,999
- ~ Sacramento Transportation Authority, Measure A Sales Tax Revenue Bonds (Variable Rate), Series A : \$106,100,000; Measure A Sales Tax Revenue Bonds (Variable Rate), Series B : \$106,100,000; and Measure A Sales Tax Revenue Bonds (Variable Rate), Series C: \$106,100,000: Total: \$318,300,000
- ~ City of Tracy, Refunding Improvement Bonds, Wastewater Facilities Project: \$17,150,000
- ~ City of Morgan Hill, Cochrane Business Park Assessment District: \$3,500,000
- ~ County of Santa Cruz, Limited Obligation Improvement Bonds, Place De Mer Water Improvement District: \$423,558
- ~ City of Scotts Valley, Pasatiempo Pines Assessment District, Improvement Bonds Wastewater Facilities Project, First Issue: \$2,614,300
- ~ City of Brentwood, Brentwood Improvement Project No. 2: \$3,499,000
- ~ City of Capitola, Tradewinds Assessment District Bonds: \$1,585,721
- ~ City of Tehachapi, Refunding Assessment District Bonds: \$1,575,000
- ~ Housing Authority of the County of Monterey, Floating Rate Demand, Multifamily Housing Revenue Bond (Woodridge Project) - Remarketed Issue: \$3,000,000
- ~ City of Scotts Valley, Green Hills Assessment District: \$1,037,000
- ~ Central San Joaquin Water Conservation District, Certificates of Participation, (Little Johns Creek Project): \$4,950,000
- ~ City of Brentwood, Certificates of Participation, Capital Improvement Project: \$5,930,000
- ~ Marina Redevelopment Agency, Certificates of Participation, Series A: \$2,000,000; and Series B: \$3,000,000
- ~ Luther Burbank School District (Santa Clara County), Series 2008 B & C General Obligation Bonds: \$4,139,993.85
- ~ City of Scotts Valley, North Scotts Valley Drive Refunding Assessment District: \$1,762,580

- ~ City of Scotts Valley, Green Hills Estates Subdivision Assessment District, Limited Obligation Improvement Bonds: \$1,390,000
- ~ City of Yuba City, Sutter County, California, North Yuba City Drainage Phase I, Limited Obligation Bonds: \$1,658,090
- ~ County of Stanislaus, Fox Hollow Assessment District, Limited Obligation Bonds: \$710,000
- ~ County of Santa Cruz, Bostwick Lane Street Improvement Project, Limited Obligation Bonds: \$361,910
- ~ City of Brentwood, Limited Obligation Improvement Bond Anticipation Notes: \$5,240,800
- ~ Brentwood Joint Powers Financing Authority, (Contra Costa County, California), Series A and Series B, Limited Obligation Revenue Bonds: \$17,800,000
- ~ City of Morro Bay, Mimosa Street Assessment District Bonds: \$162,773
- ~ Avenal Public Financing Authority, (Kings County, California), Local Agency Revenue Bonds: \$11,000,000
- ~ City of Tehachapi, East Tehachapi Boulevard Improvement Project, Limited Obligation Improvement Bonds: \$1,750,000
- ~ Wasco Public Financing Authority, (Kern County, California), Local Agency Revenue Bonds, Series A: \$25,000,000; Series B: \$10,000,000; Total: \$35,000,000
- ~ City of Gonzales, Johnson Canyon-Fanoe Road Improvement Project, Limited Obligation Improvement Bonds: \$643,606.85
- ~ City of Tehachapi, Community Facilities District, Special Tax Bonds: \$7,000,000
- ~ City of Yuba City, Certificates of Participation (Police Building Project): \$5,000,000
- ~ City of Marina, General Obligation Bonds: \$829,000
- ~ Kirkwood Meadows Public Utilities District, Refunding Assessment District, Limited Obligation Improvement Bonds: \$2,324,565.78
- ~ Redevelopment Agency of the City of Brentwood, Brentwood Redevelopment Project, Tax Allocation Bonds, Series A: \$5,330,000
- ~ Scotts Valley Public Financing Authority (Santa Cruz County, California): Local Agency Revenue Bonds: \$34,000,000
- ~ Marina Redevelopment Agency, Public Safety Building Project, Tax Allocation Bonds,

Series A: \$1,805,000

- ~ Scotts Valley Water District, Water Revenue Bonds: \$2,350,000
- ~ City of Tehachapi, Summit Assessment District, Limited Obligation Improvement Bonds: \$2,874,000
- ~ City of Atwater, Special Tax Bonds: \$17,750,000
- ~ City of Gustine, Series 2012 Certificates of Participation (Wastewater System Improvement Projects) (Bank Qualified): \$1,225,000
- ~ City of Yuba City, Limited Obligation Improvement Bonds: \$14,405,100
- ~ County of Madera, Limited Obligation Improvement Bonds: Series A \$1,192,500: Series B \$4,500,000 (Bass Lake Roads)
- ~ Crescent City Public Financing Authority (Del Norte County, California): Local Agency Revenue Bonds: \$2,500,000
- ~ City of Capitola, Certificates of Participation: \$9,395,000
- ~ City of Santa Cruz, Limited Obligation Improvement Bonds, Chestnut Street Assessment District: \$1,539,000
- ~ City of Los Banos, Certificates of Participation, (Sewage Disposal System Expansion): \$4,995,000
- ~ City of Stockton, Limited Obligation Improvement Bonds (San Joaquin County), Spanos Park Assessment District: \$7,740,000
- ~ Coalinga Public Financing Authority, Revenue Bonds: Series A \$11,280,000: Series B \$6,130,000
- ~ City of Riverbank Public Financing Authority, Revenue Bonds: Series A \$1,975,000: Series B \$4,350,000
- ~ Town of Colma, Refunding Improvement Bonds, Colma Local Improvement District No. 1 Reassessment Project: \$10,750,000
- ~ City of Paso Robles, Orchard Bungalow Refinancing: \$1,705,000
- ~ City of Gonzales, Certificates of Participation: \$650,000
- ~ City of Tehachapi, Special Tax Bonds: \$2,780,000

- ~ Paso Robles Redevelopment Agency, (Paso Robles Redevelopment Project): \$3,500,000
- ~ City of Gonzales, Gonzales Shopping Center Assessment District Bonds: \$410,800
- ~ County of Monterey, Blackie Road Assessment District, Limited Obligation Improvement Bonds: \$4,195,000
- ~ City of Santa Cruz, Limited Obligation Improvement Bonds, Village Highlands Assessment District: \$1,466,400
- ~ City of Capitola, Limited Obligation Improvement Bonds, Brookvale Terrace Assessment District: \$2,940,000
- ~ County of Sutter, Limited Obligation Improvement Bonds, Highland Estates Improvement Project: \$375,380
- ~ Lake Arrowhead Community Services District, Refunding Certificates of Participation: \$39,000,000
- ~ City of Marina, Limited Obligation Improvement Bonds, Marina Landing Assessment District: \$2,275,753
- ~ County of Santa Cruz, Limited Obligation Improvement Bonds, Sand Dollar Beach Assessment District: \$186,510
- ~ City of Atascadero, Limited Obligation Improvement Bonds, Street Improvement Project: \$903,356.13
- ~ City of Merced, Limited Obligation Refunding Improvement Bonds, North Merced Sewer Improvement Refunding Reassessment District: \$5,450,000
- ~ City of San Rafael, Limited Obligation Improvement Bonds, Peacock Gap Reassessment District: \$2,405,000
- ~ Olivenhain Municipal Water District, Water Revenue Refunding Bonds: \$7,760,000
- ~ City of Atascadero, Limited Obligation Improvement Bonds, Camino Real Improvement Project: \$2,100,000
- ~ City of Oakdale, G & J Streets Refunding Assessment District, Limited Obligation Improvement Bonds: \$4,300,000
- ~ Scotts Valley Water District, Water Revenue Refunding Bonds: \$2,640,000
- ~ City of Merced Public Financing Authority, Local Agency Revenue Bonds, \$17,220,000 Series A-1 (Tax Allocation Bonds), \$1,210,000 Series A-2 (Water Revenue Bonds),

\$4,520,000 Series A-3 (Sewer Revenue Bonds):\$22,950,000

- ~ Community Development Agency of the City of King, (King City Redevelopment Project) Tax Allocation Refunding Revenue Bonds: \$5,500,000
- ~ Adelanto School District (San Bernardino County, California), General Obligation Bonds, Series B: \$5,997,952.25
- ~ Channel Islands Beach Community Services District, Limited Obligation Refunding Improvement Bonds: \$1,341,663.80
- ~ City of Stockton Multifamily Housing Revenue Bonds, Mariner's Pointe: \$6,500,000
- ~ City of Livingston, Refunding Certificates of Participation: \$460,000
- ~ City of Santa Cruz, Limited Obligation Improvement Bonds, Harvey West Assessment District (Costco Regional Center): \$1,458,712.26
- ~ City of Shasta Lake (Energy Transmission Project) Certificates of Participation: \$17,960,000
- ~ City of Stockton - Special Tax Bonds: \$1,960,000
- ~ City of Woodland, Limited Obligation Improvements Refunding Bonds, East Main Street Assessment District: \$15,030,000
- ~ City of Bakersfield, Limited Obligation Improvement Bonds: \$3,685,000
- ~ Padre Dam Municipal Water District, Certificates of Participation: \$11,200,000
- ~ City of Yuba City, Certificates of Participation (Police Building Project): \$3,040,000
- ~ Mammoth Community Water District (Mono County, California), Refunding Certificates of Participation: \$4,725,000
- ~ Redevelopment Agency of the City of Guadalupe, Tax Allocation Refunding Bonds (Guadalupe Redevelopment Project): \$1,510,000
- ~ City of Palm Desert Financing Authority, Revenue Bonds: \$30,915,000
- ~ June Lake Public Utility District, Limited Obligation Improvement Bonds: \$740,000
- ~ City of Arcata, Refunding Certificates of Participation: \$2,825,000
- ~ Mammoth Community Water District (Mono County, California), Limited Obligation Refunding Improvement Bonds, Reassessment District: \$5,440,000
- ~ Community Development Agency of the City of King Tax Allocation subordinate Revenue

Bonds (King City Redevelopment Project), Monterey County, California \$4,730,000

- ~ Barstow Heights Community Services District (County of San Bernardino), Limited Obligation Refunding Improvement Bonds (Bank Qualified) \$1,160,000
- ~ Calaveras County Water District, Refunding Improvement District (Saddle Creek), Limited Obligation Improvement Refunding Bonds: \$7,135,000
- ~ City of Gonzales, Johnson Canyon-Fanoe Road Improvement Project, Limited Obligation Improvement Bonds: \$643,606
- ~ Hartnell Community College (City of King), Certificates of Participation (Hartnell CCD Education and Training Center): \$2,515,000
- ~ Shaffer Union School District Improvement Project, Certificates of Participation: \$905,000
- ~ Crescent City, Not to Exceed \$9,000,000 (Line of Credit) Bond Anticipation Notes (Water System Improvement Project)
- ~ San Lorenzo Valley Water District, Limited Obligation Improvement Refunding Bonds (Bank Qualified): \$1,199,000
- ~ Calaveras County Water District, Limited Obligation Improvement Refunding Bonds Lake Tulloch Reassessment District: \$725,000.00
- ~ Humboldt Waste Management Authority, Bond Anticipation Notes: \$5,000,000
- ~ County of Calaveras, Limited Obligation Improvement Refunding Bonds Refunding Improvement District Valley Hills Estates: \$1,025,000.00
- ~ Byron Bethany Irrigation District (Administrative Building Project), Lease Revenue Bonds: \$5,750,000.00
- ~ City of Riverbank- Riverbank Public Financing Authority, Local Agency Refunding Revenue Bonds: \$1,700,000.00
- ~ Auburn Valley Public Financing Authority (Placer County), Wastewater Treatment Plant Expansion Project, Revenue Bonds: \$3,335,000.00
- ~ Sweetwater Union High School District, Master Lease: \$3,500,000.00
- ~ Long Beach Community College District (Los Angeles County), Auction Rate Certificates of Participation: \$34,300,000.00
- ~ Humboldt Waste Management Authority, Revenue Bonds: \$7,500,000.00
- ~ Middletown Unified School District, General Obligation Bonds: \$6,496,430.70

- ~ West Hills Community College District, Capital Improvement Projects, Auction Rate Certificates of Participation: \$27,950,000.00
- ~ Kern Community College District, Capital Improvement Projects, Auction Rate Certificates of Participation: \$39,950,000.00
- ~ Calaveras County Water District, Enterprise Refunding Revenue Bonds: \$19,625,000.00
- ~ Madera Irrigation Financing Authority, \$35,805,000 Daily Rate Water Revenue Bonds
- ~ Madera Irrigation Financing Authority, \$12,115,000 Daily Rate Taxable Water Revenue Bonds.
- ~ Victor Valley Union High School District, Refunding Certificates of Participation, Victor Valley Junior high School Project: \$10,705,000.00
- ~ Calaveras County, Special Tax Refunding Bonds (Saddle Creek): \$7,145,000.00
- ~ June Lake Fire Protection District, Lease-Purchase Certificates: \$520,000.00
- ~ Kanawha-Glide Public Financing Authority, Kanawha Loan Contract Revenue Refunding Bonds: \$875,000.00
- ~ Palo Verde Community College District (San Bernardino and Riverside Counties) Auction Rate Certificates of Participation: \$18,600,000.00
- ~ Isleton Public Financing Authority, Series 2012 Wastewater Refunding Revenue Bonds (Federally Taxable): \$1,950,000.00
- ~ Calaveras County Water District, DaLee / Cassidy Water System Assessment District, Limited Obligation Improvement Bonds: \$990,000.00
- ~ City of Austin, TX, Special Assessment Revenue Bonds, Senior Series, Whisper Valley Public Improvement District: \$15,500,000.00
- ~ City of Austin, TX, Special Assessment Revenue Bonds, Subordinate Series, Whisper Valley Public Improvement District: \$18,485,168.00
- ~ City of Pismo Beach, Series 2012 Wastewater Refunding Revenue Bonds: \$5,710,000.00
- ~ Independent Cities Finance Authority (Planada Community Services District), Wastewater Revenue Notes, Issue of 2012: \$3,175,000.00
- ~ San Lorenzo Valley Water District, 2012 Water Revenue Refunding Bond: \$5,508,471.59
- ~ City of Susanville (Lassen County), Series 2012 Lease Financing: \$1,581,555.44

- ~ Channel Islands Beach Community Services District, Series 2012 Water Revenue Refunding Bonds (Bank Qualified): \$2,716,072.40
- ~ Quincy Community Services District, Series 2012 Certificates of Participation (Wastewater System Improvement Project) (Bank Qualified): \$3,040,000.00
- ~ Del Puerto Water District, Series 2012 Certificates of Participation (Supplemental Water Purchase Program) (Bank Qualified): \$1,655,000.00
- ~ City of Selma, 2012-2013 Tax and Revenue Anticipation Notes: \$1,500,000.00
- ~ Sacramento Transportation Authority, Sales Tax Revenue Bonds: \$53,355,000.00
- ~ Byron Bethany Joint Powers Authority, Wastewater Refunding Revenue Bonds: \$2,585,000.00
- ~ Calaveras County Water District, Series 2013 Refunding Wastewater Revenue Loan: \$310,458.59
- ~ Calaveras County Water District, Series 2013 Refunding Water Revenue Loan: \$7,188,541.41
- ~ City of Pacific Grove, Series 2013 Refunding Wastewater Revenue Loan (Bank Qualified): \$1,220,587.60
- ~ City of Lemoore, Series 2013 Water Revenue Bonds (2013 Solar Project): \$7,068,000.00
- ~ Stinson Beach County Water District, Series 2013 Water Revenue Refunding Bonds (Bank Qualified): \$1,997,613.97
- ~ Santa Cruz Port District, Series 2013 Enterprise Revenue Bonds (Santa Cruz Harbor Financing Project): \$14,418,960.43
- ~ Santa Cruz Port District, Series 2013 Taxable Enterprise Revenue Bonds (Santa Cruz Harbor Financing Project): \$2,384,445.08
- ~ Santa Cruz Port District, Series 2013 Line of Credit (Santa Cruz Harbor Financing Project): \$4,000,000.00
- ~ County of Mariposa, Series 2013 Refunding Certificates of Participation (County Administration Building Refunding Project): \$806,500.00
- ~ City of Lakeport, Series 2013 Water Revenue Notes (Line-of-Credit) (2013 Water Enterprise improvement Project): \$6,675,000.00 (Not to Exceed)
- ~ City of Riverbank, Series 2014 Wastewater Revenue Loan (Wastewater System Improvement Project), Bank Qualified: \$5,742,714.75

- ~ Calaveras County Water District, Series 2014 Wastewater Revenue Loan (Wastewater System Improvement Project of 2014), Bank Qualified: \$2,337,528.00
- ~ Calaveras County Water District, Series 2014 Water Revenue Loan (Water System Improvement Project of 2014), Bank Qualified: \$4,061,933.00
- ~ Selma Public Financing Authority (Fresno County, California), Series 2014 Assessment Revenue Refunding Bonds (Series 1999A Assessment Revenue Bonds Refunding Project), Bank Qualified: \$955,000.00
- ~ Moss Landing Harbor District, Series 2014 Harbor Enterprise Revenue Refunding Bonds (2014 Debt Consolidation and Refunding Project), Bank Qualified: \$4,755,901.00

RECORDING REQUESTED BY)
 AND WHEN RECORDED MAIL TO:)
)
 Borrego Water District)
 806 Palm Canyon Drive)
 Borrego Springs, CA 92004)
 P.O. Box 1870)
 Attention: General Manager)
)

This document is exempt from payment of a recording fee pursuant to Government Code Section 27383.

Exempt from payment of Documentary Transfer Tax
 pursuant to Revenue and Taxation Code Section 11922

BWD FORM 102

**GRANT OF GROUNDWATER EASEMENT
 TO
 BORREGO WATER DISTRICT**

This Grant of Groundwater Easement (this “Easement Agreement”) is made as of _____, 2014, by LUNDAVID LLC (the “Grantor”), for the benefit of BORREGO WATER DISTRICT, a public corporation (“District” or “Grantee”).

RECITALS

A. Grantor is the owner of certain real property located in an unincorporated portion of the County of San Diego, State of California, as more particularly set forth in Exhibit “A” attached hereto and incorporated herein by reference (the “Property”). Grantor has, since 2005, maintained a citrus farm on the Property (“Water Activity”). The Property is from time to time referred to herein as the “Servient Tenement.”

B. The Servient Tenement may overlay the Borrego Valley Aquifer as described in the Borrego Water District Groundwater Management Study on file in the office of the District and thus have certain water rights to the groundwater or percolating water underlying said Servient Tenement (the “Groundwater”).

C. The District is a public corporation organized and existing under Division 13 of the Water Code of the State of California and has the power and authority to extract, divert, store and distribute water to the lands and inhabitants within the boundaries of the Grantee.

D. The Grantor and Grantee have entered into an Agreement entitled Second Amendment Bargain Sale and Donation Agreement dated as of October 22, 2010, as amended by an Amendment to Bargain Sale and Donation Agreement dated as December 23, 2010, by a Second Amendment to Bargain Sale and Donation Agreement, dated as of July 8, 2011, and a Third Amendment to Bargain Sale and Donation Agreement, dated as of September __, 2014 (as amended, the “Settlement Agreement”), whereby the Grantor, in consideration of certain Mitigation Entitlement Certificates (i.e., AG-1 Water Credits, as defined in the Settlement Agreement), agreed

to grant to the Grantee an easement to cease and prevent any and all extraction of the Groundwater to which Grantor is or may be entitled as a result of Grantor's ownership of the Property, whether or not the Property overlies the Borrego Valley Aquifer.

NOW, THEREFORE, Grantor grants the Groundwater Easement (as hereinafter defined) to Grantee under the following terms and conditions:

1. Grant of Groundwater Easement. Grantor hereby grants to Grantee an easement (i) to cease and prevent any and all extraction, use, storage, distribution and/or diversion of the Groundwater to which Grantor is entitled as a result of Grantor's ownership of the Property, (ii) cease and prevent the Water Activity as well as any other use of Groundwater on the Property, whether such Groundwater is extracted from the Property or from other real property overlying the Borrego Valley Aquifer except upon full compliance with the District Mitigation Policy, and (iii) for the Easement Purposes, as defined in Section 2 of this Easement Agreement (the "Groundwater Easement"), subject to all matters and encumbrances of record affecting the Servient Tenement, on the terms and conditions set forth in this Agreement.

1.1 Grant of Incidental Nonexclusive Easement. In addition to the Groundwater Easement granted in Section 1 of this Easement Agreement, Grantor also hereby grants to Grantee a nonexclusive easement over, under, within and through the Property for the Easement Purposes, as defined in Section 2 of this Easement Agreement. The nonexclusive easement granted by this Section 1.1 shall include: (i) vehicular and pedestrian ingress and egress by Grantee, its agents, employees, successors, and assigns for all purposes including, but not limited to, inspection to ensure compliance with the terms of this Easement Agreement, the District's Mitigation Entitlement Policy and the Settlement Agreement; and (ii) routing, installation, use, maintenance, service and operation of certain utilities, including without limitation the installation and use of monitoring wells, and/or the capping of wells on the Property.

1.2 County of San Diego Right of Enforcement. The parties acknowledge and agree that the County of San Diego is a third party beneficiary of this Groundwater Easement agreement. All rights and remedies conveyed to Grantee under this Groundwater Easement shall extend to and are enforceable by the County of San Diego.

2. Easement Purposes. "Easement Purposes" means use of the Servient Tenement as is necessary, desirable or advisable for any or all of the following purposes: (i) ceasing and preventing any and all use, extraction, diversion, storage, and/or distribution of Groundwater from or for use on the Servient Tenement, (ii) confirming the cessation of any and all Groundwater, extraction, use, storage, distribution and/or diversion on the Servient Tenement, and/or (iii) monitoring, measuring and/or evaluating water levels, water quality and/or water usage on the Servient Tenement, including, but not limited to, taking periodic static water level readings.

3. Character of Easement. The Groundwater Easement granted in this Easement Agreement is in gross.

4. Term. The Groundwater Easement granted in this Easement Agreement shall be an easement in perpetuity for the benefit of Grantee and the County of San Diego.

5. Maintenance and Liability. Grantor is and shall remain solely and exclusively responsible for all maintenance of the Property, including, but not limited to, weed and/or dust

control and abatement. Grantor hereby agrees to indemnify, defend, and hold Grantee harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees and/or expert witness fees), resulting from, arising out of, or based upon the Property.

6. Consideration. In consideration of the grant of the Groundwater Easement granted in this Easement Agreement, the Grantee will provide the Grantor with the Mitigation Entitlement Certificate (i.e., AG-1 Water Credits, as described in the Settlement Agreement).

7. Exclusive Easement. Grantee's use of the Groundwater Easement granted in this Easement Agreement shall be exclusive, with the exception of the enforcement rights granted to the County of San Diego in Section 1.2. Grantor shall not extract, divert, store and/or distribute the Groundwater, nor shall the Grantor transfer or assign to others any interest in the Groundwater. Notwithstanding the terms of this provision, Grantor reserves the right to use the Servient Tenement in a manner consistent with the Grantee's free use and enjoyment of the Groundwater Easement.

8. Assignment. This Easement Agreement, including any interest in this Easement Agreement, shall not be assigned without the prior written consent of the other party.

9. Attorney's Fees. In the event any declaratory or other legal or equitable action is instituted between the Grantor and the Grantee in connection with this Easement Agreement, the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs, expert witness fees and reasonable attorneys' fees, and all fees, costs and expenses incurred on any appeal or in collection of any judgment.

10. Entire Agreement. This Easement Agreement and its exhibits, together with the Settlement Agreement, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understanding of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

11. LIQUIDATED DAMAGES. GRANTOR ACKNOWLEDGES THAT GRANTEE IS ENTERING INTO THIS EASEMENT AGREEMENT FOR THE EXPRESS AND EXCLUSIVE PURPOSE OF GROUNDWATER PRESERVATION. IF GRANTOR COMMENCES OR RE-COMMENCES ANY ACTIVITY ON THE PROPERTY IN VIOLATION OF THIS AGREEMENT, THE GRANTOR SHALL PAY TO GRANTEE AS LIQUIDATED DAMAGES, AND NOT AS A PENALTY, THE AMOUNT OF \$200 PER OCCURRENCE. FOR PURPOSES OF THIS SECTION 11, EACH DAY THAT GRANTOR COMMENCES OR RE-COMMENCES ANY ACTIVITY ON THE PROPERTY IN VIOLATION OF THIS EASEMENT AGREEMENT SHALL CONSTITUTE A SEPARATE OCCURRENCE. EACH DAY THAT SELLER PLACES IN SERVICE, OPERATES AND/OR UTILIZES ANY WELL ON THE PROPERTY SHALL CONSTITUTE A VIOLATION OF THIS AGREEMENT AND SHALL FURTHER CONSTITUTE A SEPARATE OCCURRENCE FOR PURPOSES OF THIS SECTION 11.

THE PARTIES HERETO ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE LIQUIDATED DAMAGES PROVISION CONTAINED IN THIS SECTION 11 AND AGREE TO BE BOUND BY ITS TERMS. FURTHER, THE PARTIES HERETO ACKNOWLEDGE THAT THE GRANTEE IS ENTERING INTO THIS

EASEMENT AGREEMENT FOR THE SPECIFIC PURPOSE OF PRESERVING GROUNDWATER AND THAT THE LIQUIDATED DAMAGES AMOUNT SPECIFIED IN THIS SECTION 11 IS A REASONABLE ESTIMATE, UNDER THE CIRCUMSTANCES EXISTING ON THE DATE OF EXECUTION OF THIS AGREEMENT, OF WHAT GRANTEE'S DAMAGES WOULD BE IN THE EVENT OF A DEFAULT BY GRANTOR.

GRANTOR'S INITIALS: _____

DISTRICT'S INITIALS: _____

12. Notices. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party, or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, or delivered through another reasonably acceptable method, and addressed to the party for whom intended, as follows:

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

If to Grantee: Borrego Water District
 806 Palm Canyon Drive
 PO Box 1870
 Borrego Springs, CA 92004
 Attention: General Manager

Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

13. Counterparts. This Easement Agreement may be executed in counterparts, each of which when executed shall, regardless of the date of its execution and delivery, be deemed an original, and all counterparts together shall constitute one and the same instrument.

14. Binding Upon Successors. The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereof. The obligations of Grantor hereunder shall run with the land and shall be binding on successor owners of the land. Grantor and each successor shall only be bound by the terms hereof while such entity or person owns the Property and shall have no liability or responsibility hereunder for any successor owner.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Easement Agreement as of the date first set forth hereinabove.

GRANTOR:

LUNDAVID LLC,
A Connecticut limited liability company

By: _____
Lance B. Lundberg, Manager

GRANTEE:

BORREGO WATER DISTRICT, a California
public corporation

By: _____
Beth Hart, President

ATTEST:

Marshall Brecht, District Secretary

APPROVED AS TO FORM:

McDougal, Love, Eckis, Boehmer & Foley
District General Counsel

ATTACHMENT A

PROPERTY DESCRIPTION

That real property located in the unincorporated portion of the County of San Diego, State of California, and described as follows:

PARCEL 1:

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 6 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO OFFICAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING at _____;

Contains _____ acres, gross.

Contains _____ acres of citris.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

- personally known to me
-or-
 proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual
 Corporate Officer

Title(s)

- Partner(s) Limited
 General
 Attorney-In-Fact
 Trustee(s)
 Guardian/Conservator
 Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed or grant dated: _____, from Lundavid LLC, is hereby accepted by the undersigned officer of the Board of Directors of the **BORREGO WATER DISTRICT** pursuant to Resolution No. 45, adopted on June 9, 1981, and the Grantee consents to the recording thereof by its duly authorized officer.

By: _____
Jerry Rolwing, General Manager
Borrego Water District

Dated: _____ 2014

THIRD AMENDMENT TO BARGAIN SALE
AND DONATION AGREEMENT

THIS THIRD AMENDMENT TO BARGAIN SALE AND DONATION AGREEMENT IS DATED September __, 2014 by and between the BORREGO WATER DISTRICT, a public corporation organized and existing under Division 13 of the Water Code of the State of California (the "District") and LUNDAVID LLC, a Connecticut limited liability company (the "Seller").

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

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

WHEREAS, pursuant to the Original Agreement, Seller agreed to apply to the District to secure Water Credits for issuance to Seller and then conveyance by Seller to the District, together with the Conveyance of Parcel 2 (as amended in the Second Amendment to Agreement referenced below), pursuant to a bargain sale as more particularly set forth in the Agreement; and

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

WHEREAS, on July 8, 2011, the parties entered into the Second Amendment to memorialize (i) switching the conveyance of Parcels 1 and 2, so that Parcel 2 will be sold to the District instead of Parcel 1, and Parcel 1 will be provided to the District as a charitable donation instead of Parcel 2; (ii) modifying the Agreement to allow the District to pay \$6000 to the Seller upon execution of the Second Amendment to cover the cost of expenses incurred prior to that date, (iii) modifying the Agreement to require the District to pay the remaining \$69,000 to the Seller at the time that the District issues Agricultural-1 Water Credits ("AG-1 Water Credits") to the Seller; (iv) modifying the Agreement to require that if the Seller desires to purchase AG-1 Water Credits to satisfy San Diego County water mitigation requirements for applicable projects defined in the Second Amendment, then Seller must purchase such AG-1 Water Credits up to a maximum of 312.5 AG-1 Water Credits exclusively from the District; (v) modifying the Agreement to provide that if and when Seller purchases up to 312.5 AG-1 Water Credits from the District the cost per credit will be not less than \$5500; (vi) modifying the Agreement and Promissory Note to provide that if and when Seller acquires AG-1 Water Credits from the District at not less than \$5500 per credit, instead of an exchange of cash from Seller to the

District, the District will receive a dollar for dollar offset against its debt with Seller; (vii) eliminating the requirement for a Purchase Money Deed of Trust; and (viii) deferring the payment (but not the accrual) of interest on the Promissory Note for four years.

WHEREAS, based on changed circumstances following the execution of the Second Amendment, including a significant modification to the method for calculating Water Credits as a result of San Diego County's Board of Supervisor's approval on January 30, 2013 of Ordinance No. 10249 ("An Ordinance Amending the San Diego County Code Relating to Groundwater in Borrego Valley") incorporating and approving a "Memorandum of Agreement Between the Borrego Water District and the County of San Diego Regarding Water Credits" executed by the District on December 12, 2012 which required the District to modify its Water Credit policy, and the District's adoption on July 24, 2013 of a retail sales price for Water Credits to less than \$5500, the parties have been involved in the renegotiation of some of the terms of the Agreement to the mutual benefit of the parties; and

WHEREAS, the parties desire to amend the Agreement as a result of these changes to (i) remove all references to "312.5" Water Credits and replace all such references with "294" Water Credits; and (ii) amend any obligation of the Seller to pay \$5500 per AG-1 Water Credits to require the Seller to pay "the then current retail sales rate for Water Credits adopted by the District."; and

WHEREAS, through these recitals, the parties memorialize that the following has occurred pursuant to the terms of the Agreement: (i) the parties have completed the transfer of Parcel 2 from the Seller to the District, (ii) the District has issued to Seller the \$1.425 million Promissory Note provided for under the Agreement, (iii) the Seller has completed the following of Parcel 2, the Seller has granted the easement for Parcel 2 to the District, and the District has issued to Seller 294 Water Credits for Parcel 2, which in turn, Seller has conveyed to the District, (iv) the Seller has completed the required following of Parcel 1, and all necessary documents have been completed and the County of San Diego has given approval for the District to issue to Seller (or its designee) 294 AG-1 Water Credits with respect to Parcel 1 (the "Parcel 1 Water Credits"), and (v) each of the Seller and the District hereby acknowledge, agree and confirm that to such party's best knowledge, the other party has performed all obligations required to be performed by such party as of the date hereof under the Agreement (including, without limitation, under Sections 7, 8 and 9 of the Agreement).

WHEREAS, simultaneously herewith: (i) the Seller and the District are amending the Promissory Note to reflect the changes set forth herein and the Seller is assigning the Promissory Note to Lundberg Family Trust, and (ii) Seller is assigning its right to the Parcel 1 Water Credits to Lundberg Family Trust, and to the extent required, the District hereby consents to both such assignments.

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

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

In consideration of the terms, conditions and obligations imposed pursuant to the terms of this Agreement, the Seller desires to (i) convey to the District 294 Water Credits, and (ii) convey to the District fee simple title to that portion of the Property consisting of approximately 61 acres of land depicted a Parcel 2 ("Conveyance Parcel 2) on the map attached hereto as Exhibit "B" (the "Map"). The parties agree that for purposes of this Agreement, Parcel 1 and Parcel 2 provide equivalent value to the District because they contain approximately an equivalent number of irrigated citrus trees.

2. Section 1.1 (Section 14 of the Original Agreement that was renumbered as Section 1.1 in the Second Amendment) is amended to read as follows:

Seller's Obligation to Purchase Water Credits from District. In the event the Seller, or any of its subsidiaries, or affiliated entities (expressly excluding third-party successors or assigns), purchase AG-1 Water Credits in order to satisfy San Diego County water mitigation requirements applicable to the Seller's Yaqui Pass Development (currently outside the District's boundaries) and/or any other development located within the boundaries of the District in which the Seller, or any of its subsidiaries, successors and/or assigns, owns more than a fifty percent (50%) interest, Seller shall purchase such water credits exclusively from the District at the then current retail sales price for Water Credits established by the District. Notwithstanding anything contained herein to the contrary, no third party purchaser of the Yaqui Pass Development (currently outside the District's boundaries) and/or any other development located within the boundaries of the District in which the Seller, or any of its subsidiaries, successors and/or assigns, owns less than a fifty percent (50%) interest, shall be subject to the terms, conditions, obligations or liabilities of this Section 1.1. Nothing in this agreement shall prohibit the Seller from purchasing more than 294 water credits from the District at a price mutually agreeable to Seller and the District.

3. Section 2 of the Agreement is amended to read as follows:

Agreement to Sell and Purchase Water Credits and Conveyance of Parcel 2. The Seller agrees to sell to the District, and the District agrees to purchase from the Seller, upon the terms and for the consideration set forth in this Agreement, the following: (i) 294 AG-1 Water Credits issued to the Seller by the District; and (ii) fee simple marketable title to Conveyance Parcel 2.

4. Section 4(a) of the Agreement (added in the Second Amendment) is amended to read as follows:

(a) If and when the Seller purchases from the District up to 294 AG-1 Water Credits referenced in Section 1.1 of this Agreement to satisfy its mitigation with San Diego

County, instead of an exchange of cash from Seller to the District, the District shall receive a dollar or dollar offset toward the Purchase Price.

5. All other terms and conditions set forth in the Agreement shall continue in full force and effect.

6. Delivery of a signed copy of this Third Amendment to the Agreement by e-mail or facsimile shall be legal execution and delivery of the Agreement by the signing party.

IN WITNESS WHEREOF, the parties have executed this Third Amendment to Bargain Sale and Donation Agreement as of the date first set forth hereinabove.

OWNER: LUNDAVID, LLC

Borrego Water District

By: _____
Lance B. Lundberg, Manager

By: _____
Beth A. Hart, President

APPROVED AS TO FORM:

By: _____
Attorneys for Lundavid, LLC

By: _____
Morgan Foley, Esq.
McDougal, Love, Eckis, Boehmer & Foley
Attorneys for Borrego Water District

	Contract / Project	January	February	March	April	May	June
	PAYMENTS						
1	Viking - payment due on 5th anniversary						
2	T2 Borrego	1/1/15: Pay spare cost in advance			Raftelis spare capacity cost analysis	5/1/15 Notice of 2015/2016 spare capacity due.	6/15/15: commitment of annual spare capacity due from T2 6/30/15: T2 to fallow 200 acre feet 6/30/15: T2 to pay BWD \$110 per a/f over 800.
3	Airport Access Permits						Annual Renewal Due
4	P & I Payment for ID4 COP's			1st half of payments due			
6	CONTRACTS						
7	American Red Cross-can cancel any time for any reason						
8	Club Circle (Cameron)		option to renew lease by 2/28/2015				Lease expires 6/30/2015
9	Green Desert Landscape		discuss w/ Bob the option of continuing with contract 2/28/2015				Agreement expires 6/30/2015
10	JC Labs	1/15/2015 agreement expires/thereafter month to month.					
11	Konika Minoita						
12	Secap - postage machine				4/1/2017 send letter of cancellation if desired		
13	San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine)						
14	Ramona Disposal - Club Circle						
15	Ramona Disposal - BWD Dumpsters						
16	REPORTS						
17	CASGEM				Submit CASGEM water level data		
18	CCR						
19	Cameron Bros. Water Usage Report (golf course) to county						
20	Santago Estate						Occupancy report due
21	Annual EAR Report (CDHS)			Due 3/31 for previous year			
22	ADMINISTRATIVE						
23	Audit					Begin audit	
24	Budget			Pump check	CIP meeting, draft budget document	Final Budget document / FY Rate Resolution	
25	Investment Policy						Investment polices restated
26	Rates	Begin 218 process for FY 2016	218 Public Hearing I for FY 2016				
27	Special Assessments / tax bill resolutions-Taussig						Special Assessments resolutions due
28	Town Hall Meeting			2015			
29	Elections						

	July	August	September	October	November	December
1	7/8/2017 payment due spare capacity lease					
2	7/1/17: establish water budget					12/31/14: T2 to purchase land to follow 12/31/18 lease expires
3						
4			2nd half of payments due			
6						
7						
8						
9	Cost of Water Adjustment each July 1st. With Cameron					
10						
11	Lease contract expires 7/2015					
12	lease expires 7/2017					
13		Annual maintenance contract expires 10/6/15.				
14		contact RDS re: contract renewal 2015				rate valid until 12/2015
15		contact RDS re: contract renewal 2015				rate valid until 12/2015
16						
17					Submit CASGEM water level data	
18				10/1/14 Mail CCR Certification form		
19				Send to County DPLU by 10/31		
20						
21						
22						
23			Review of draft audit report			
24						
25						
26			Raftelis begins financial plan for FY 2016	218 Public Hearing II for FY 2016		
27						
28						
29					New board is elected	

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	C	D	AV	AW	AX	AY	BE
1	BWD CASH FLOW						
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
3	2014-2015		BUDGET	JULY	JULY	YTD	PROJECTED
4			2014-2015	2014	2014	2014-2015	2014-2015
5	REVENUE						
6	WATER REVENUE						
7	Residential Water Sales		899,221	91,467	83,154	91,467	906,643
8	Commercial Water Sales		120,570	11,417	11,764	11,417	120,061
9	Irrigation Water Sales		142,918	13,258	13,714	13,258	142,285
10	GWM Surcharge		114,930	11,728	10,754	11,728	115,782
11	Water Sales Power Portion		364,158	36,643	35,547	36,643	364,762
12	Readiness Water Charge		1,080,000	94,809	90,000	94,809	1,128,809
13	Readiness Water Charge - Liened properties		27,600	0	750	-	8,250
14	RH Golf Course surplus capacity lease			189,630		189,630	189,630
15	Meter Installation		5,809	0	0	-	5,809
16	Water hook-up charge			0	0	-	0
17	Reconnect Fees		4,080	340	340	340	4,080
18	Backflow Testing/Installation		4,600	(212)	0	(212)	4,388
19	Bulk Water Sales		3,500	0	0	-	3,500
20	Penalty & Interest Water Collection		6,000	1,632	500	1,632	7,132
21	TOTAL WATER REVENUE:		2,773,387	450,714	246,523	450,714	3,001,132
22		Receivables					
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 08/12/14					
24	641500 1% Property Assessments	3,149	64,625	0	0	-	64,537
25	641502 Property Assess wtr/swr/flid (25 parcels \$66 ea(1,650))	2,281	1,650	0	0	-	1,650
27	641501 Water avail Standby	19,389	82,559	0	0	-	82,730
29	641504 ID 3 Water Standby (La Casa)	2,397	33,722	0	0	-	33,722
30	641503 Pest standby	2,390	17,938	0	0	-	17,950
31	TOTAL PROPERTY ASSES/AVAIL CHARGES:	29,606	200,493	0	0	0	200,589
32							
33	SEWER SERVICE CHARGES						
34	Town Center Sewer Holder's Fees		170,190	14,274	14,274	14,274	170,190
35	Town Center Sewer User Fees		38,040	0	3,170	-	34,870
36	Sewer user Fees		345,125	28,658	27,500	28,658	361,408
37	Sewer-liened		2,160	0	180	-	1,980
38	Penalty Interest-Sewer			0	0	-	0
39	Sewer Capacity Fees			0	0	-	0
40	TOTAL SEWER SERVICE CHARGES:		555,515	42,932	45,124	42,932	568,448
41							
42	OTHER INCOME						
44	Annexation Fees			0	0	-	0
45	Fire Hydrant Installation			0	0	-	0
46	Miscellaneous Income (net csd fee/JPIA rebate/check free)		15,880	82	80	82	15,882
47	Water Credits income		8,250	2,500	0	2,500	10,750
51	Interest Income		80	2	2	2	80
52	TOTAL OTHER INCOME:		24,210	2,584	82	2,584	26,712
53							0
54	TOTAL INCOME:		3,553,605	496,229	291,729	496,229	3,796,880
55							
56	CASH BASIS ADJUSTMENTS						
57	Decrease (Increase) in Accounts Receivable			(11,301)	0	(11,301)	(11,301)
58	CC Golf Equipment receivable		2,270	189	189	189	2,270
59	Other Cash Basis Adjustments			0	0	-	0
60	TOTAL CASH BASIS ADJUSTMENTS:		2,270	(11,111)	189	(11,111)	(9,031)
61							
62	TOTAL INCOME RECEIVED:		3,555,875	485,118	291,918	485,118	3,787,849

	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP
1											
2	PROJECTED										
3	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	2014	2014	2014	2014	2014	2015	2015	2015	2015	2015	2015
5											
6											
7	83,539	75,080	82,109	78,774	62,765	65,341	58,160	53,226	80,272	81,896	94,016
8	11,648	9,651	10,787	10,043	8,118	9,864	7,954	9,228	10,861	10,688	9,801
9	16,141	15,646	18,639	12,863	9,098	9,721	7,221	5,867	9,706	11,276	12,850
10	11,321	10,258	11,178	10,287	8,154	8,657	7,475	6,636	9,882	10,157	10,050
11	35,450	32,070	34,957	32,129	25,490	27,073	23,375	21,988	32,612	30,818	32,157
12	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000
13	750	750	750	750	750	750	750	750	750	750	750
14	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	5,809	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0	0
17	340	340	340	340	340	340	340	340	340	340	340
18	0	0	0	0	0	4,600	0	0	0	0	0
19	41	0	0	750	0	0	484	343	482	750	650
20	500	500	500	500	500	500	500	500	500	500	500
21	253,730	238,295	253,260	240,435	209,214	220,845	206,067	192,879	239,405	241,174	255,114
22											
23											
24	883	626	759	1,995	21,031	10,822	1,673	1,610	15,990	7,882	1,267
25	0	0	0	0	1,650	0	0	0	0	0	0
27	1,037	984	429	6,180	21,949	22,601	2,726	3,044	5,292	14,332	4,156
29	0	21	89	1,070	15,015	12,713	439	584	1,046	2,254	490
30	113	113	54	400	4,559	6,759	377	394	2,063	2,597	523
31	2,034	1,745	1,331	9,645	64,203	52,894	5,215	5,632	24,390	27,065	6,435
32											
33											
34	14,274	14,274	14,274	14,274	14,274	14,274	14,274	14,000	14,000	14,000	14,000
35	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170
36	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250
37	180	180	180	180	180	180	180	180	180	180	180
38	0	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0	0
40	47,874	47,874	47,874	47,874	47,874	47,874	47,874	47,600	47,600	47,600	47,600
41											
42											
44	0	0	0	0	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0	0	0	0	0
46	80	80	80	80	80	80	15,000	80	80	80	80
47	0	0	2,750	0	2,750	0	0	0	2,750	0	0
51	2	2	16	2	2	16	2	2	16	2	16
52	82	82	2,846	82	2,832	96	15,002	82	2,846	82	96
53											
54	303,720	287,996	305,311	298,036	324,123	321,709	274,157	246,193	314,240	315,921	309,245
55											
56											
57	0	0	0	0	0	0	0	0	0	0	0
58	189	189	189	189	189	189	189	189	189	189	189
59	0	0	0	0	0	0	0	0	0	0	0
60	189	189	189	189	189	189	189	189	189	189	189
61											
62	303,909	288,185	305,500	298,225	324,312	321,898	274,346	246,382	314,429	316,111	309,434

	C	D	AV	AW	AX	AY	BE
1	BWD CASH FLOW						
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
3	2014-2015		BUDGET	JULY	JULY	YTD	PROJECTED
4			2014-2015	2014	2014	2014-2015	2014-2015
63	EXPENSES						
64							
65	MAINTENANCE EXPENSE						
66	R & M Buildings & Equipment		142,000	3,937	12,000	3,937	133,937
67	R & M - WWTP		60,000	(2,047)	5,000	(2,047)	52,953
68	Telemetry		20,000	0	1,500	-	18,500
69	Trash Removal		3,600	287	300	287	3,587
70	Vehicle Expense		18,000	209	1,000	209	17,209
71	Fuel & Oil		33,000	2,846	2,750	2,846	33,096
72	TOTAL MAINTENANCE EXPENSE:		276,600	5,232	22,550	5,232	259,282
73							
74	PROFESSIONAL SERVICES EXPENSE						
75	Tax Accounting (Tausig)		3,000	0	0	-	3,000
76	Administrative Services (ADP/Bank Fees)		6,000	81	500	81	5,581
77	Audit Fees		14,439	4,813	0	4,813	19,252
78	Computer billing-TBD		18,250	360	750	360	17,860
79	Consulting/Technical/Contract Labor		1,200	0	100	-	1,100
80	Engineering		35,000	1,500	(18,000)	1,500	12,500
81	District Legal Services		20,000	2,172	1,500	2,172	20,672
82	Testing/lab work		18,000	45	445	45	17,600
83	Regulatory Permit Fees		38,000	11	500	11	37,510
84	TOTAL PROFESSIONAL SERVICES EXPENSE:		153,889	8,982	(14,205)	8,982	135,076
85							
86	INSURANCE/DEBT EXPENSE						
87	ACWA Insurance		74,000	0	0	-	67,281
88	Workers Comp		14,400	0	0	-	14,400
89	COP 2008 Installment		255,713	0	0	-	255,713
90	TOTAL INSURANCE/DEBT EXPENSE:		344,113	0	0	0	337,394
91							
92	PERSONNEL EXPENSE						
93	Board Meeting Expense (board stipend/board secretary)		12,870	1,100	1,170	1,100	12,800
94	Salaries & Wages (gross)		730,000	62,925	62,085	62,925	730,840
95	Taxes on Payroll		15,500	996	900	996	15,596
96	Medical Insurance Benefits	+5% Jan-June	180,000	29,166	29,165	29,166	180,001
97	Calpers Retirement Benefits		162,000	13,687	13,500	13,687	162,187
98	Salaries & Wages contra account		(12,195)	(990)	(1,170)	(990)	(12,015)
99	Conference/Conventions/Training/Seminars		7,000	1,123	500	1,123	7,623
100	TOTAL PERSONNEL EXPENSE:		1,095,175	108,006	106,150	108,006	1,097,031
101							
102	OFFICE EXPENSE						
103	Office Supplies		18,000	2,693	1,500	2,693	19,193
104	Office Equipment/ Rental/Maintenance Agreements		25,000	4,077	1,700	4,077	27,377
105	Postage & Freight		13,000	2,012	2,172	2,012	13,000
106	Taxes on Property		2,366	0	0	-	2,366
107	Telephone/Answering Service		7,674	654	603	654	7,724
108	Dues & Subscriptions		3,970	493	133	493	4,330
109	Printing, Publications & Notices		838	0	72	-	766
110	Uniforms		6,000	462	500	462	5,962
111	OSHA Requirements/Emergency preparedness		4,500	0	375	-	4,125
112	TOTAL OFFICE EXPENSE:		81,347	10,391	7,056	10,391	84,843
113							
114	UTILITIES EXPENSE						
115	Pumping-Electricity		360,000	48,709	30,000	48,709	488,709
116	Office/Shop Utilities		17,319	2,345	2,140	2,345	17,524
117	Cellular Phone		8,000	887	667	887	8,220
118	TOTAL UTILITIES EXPENSE:		385,319	51,941	30,077	51,941	514,453
119							514,453
120	TOTAL EXPENSES:		2,336,442	184,553	151,628	184,553	2,428,078
121							
122	CASH BASIS ADJUSTMENTS						
123	Decrease (Increase) in Accounts Payable			117,264	0	117,264	117,264
124	Increase (Decrease) in Inventory			(721)	0	(721)	(721)
125	Other Cash Basis Adjustments-prepaid insurance payment			1,160	0	1,160	1,160
126	TOTAL CASH BASIS ADJUSTMENTS:			117,703	0	117,703	117,703
127							
128	TOTAL EXPENSES PAID:		2,336,442	302,256	151,628	302,256	2,545,782
129							
130	NET CASH FLOW (O&M)		1,219,433	182,862	140,290	182,862	1,242,067

	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP
1											
2	PROJECTED										
3	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	2014	2014	2014	2014	2014	2015	2015	2015	2015	2015	2015
63											
64											
65											
66	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	11,000	11,000
67	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
68	1,500	1,500	1,500	2,000	1,500	2,000	1,500	2,000	1,500	2,000	1,500
69	300	300	300	300	300	300	300	300	300	300	300
70	1,000	1,000	1,675	1,487	1,838	2,000	2,000	1,500	1,500	1,500	1,500
71	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
72	22,550	22,550	23,225	23,537	23,388	24,050	23,550	23,550	23,050	22,550	22,050
73											
74											
75	1,500	0	0	0	0	0	0	0	0	0	1,500
76	500	500	500	500	500	500	500	500	500	500	500
77	4,813	0	4,813	4,813	0	0	0	0	0	0	0
78	10,000	750	750	750	750	750	750	750	750	750	750
79	100	100	100	100	100	100	100	100	100	100	100
80	(18,000)	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
81	1,500	1,500	1,500	2,000	1,500	2,000	1,500	2,000	1,500	2,000	1,500
82	4,000	450	990	1,220	1,050	2,720	1,725	1,200	1,200	1,500	1,500
83	2,000	4,000	500	18,080	500	1,500	500	4,722	399	3,175	2,123
84	6,413	10,200	12,053	30,363	7,300	10,470	7,975	12,172	7,349	10,925	10,873
85											
86											
87	0	23,281	0	0	0	0	0	11,000	33,000	0	0
88	0	3,600	0	0	3,600	0	0	3,600	0	0	3,600
89	0	196,875	0	0	0	0	0	58,838	0	0	0
90	0	223,756	0	0	3,600	0	0	73,438	33,000	0	3,600
91											
92											
93	0	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
94	59,231	60,852	62,472	62,611	62,472	62,499	57,611	59,231	60,852	60,852	59,231
95	800	900	900	1,100	930	3,500	1,700	1,200	1,500	1,100	970
96	14,583	14,583	14,583	14,583	14,583	15,584	15,584	15,584	15,584	15,584	0
97	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
98	0	(1,170)	(1,170)	(1,170)	(1,170)	(1,170)	(495)	(1,170)	(1,170)	(1,170)	(1,170)
99	500	1,900	700	1,000	600	100	400	500	100	600	100
100	88,614	91,735	92,155	92,794	92,085	95,183	89,470	90,015	91,536	91,636	73,801
101											
102											
103	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
104	1,700	5,350	2,650	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
105	2,093	50	2,000	20	2,014	0	2,020	50	1,000	50	1,691
106	0	0	2,188	0	0	177	0	0	0	0	0
107	608	668	645	617	596	627	511	700	700	700	700
108	449	339	0	0	25	237	132	200	2,360	50	45
109	0	0	550	0	0	0	0	116	0	0	100
110	500	500	500	500	500	500	500	500	500	500	500
111	375	375	375	375	375	375	375	375	375	375	375
112	7,225	8,782	10,409	4,712	6,710	5,116	6,737	5,141	8,135	4,875	6,611
113											
114											
115	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
116	1,954	1,960	1,313	1,185	1,174	1,384	1,192	1,032	1,179	1,237	1,570
117	667	667	667	667	667	667	667	666	666	666	666
118	42,621	42,627	41,980	41,852	41,841	42,051	41,859	41,698	41,845	41,903	42,236
119											
120	167,423	399,649	179,822	193,258	174,924	176,870	169,591	246,014	204,914	171,889	159,171
121											
122											
123	0	0	0	0	0	0	0	0	0	0	0
124	0	0	0	0	0	0	0	0	0	0	0
125	0	0	0	0	0	0	0	0	0	0	0
126	0	0	0	0	0	0	0	0	0	0	0
127											
128	167,423	399,649	179,822	193,258	174,924	176,870	169,591	246,014	204,914	171,889	159,171
129											
130	136,486	(111,465)	125,678	104,967	149,388	145,028	104,756	368	109,515	144,222	150,263

	C	D	AV	AW	AX	AY	BE
1	BWD CASH FLOW						
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
3	2014-2015		BUDGET	JULY	JULY	YTD	PROJECTED
4			<u>2014-2015</u>	<u>2014</u>	<u>2014</u>	<u>2014-2015</u>	<u>2014-2015</u>
131	NON O & M EXPENSES						
132	USGS Basin study (\$49,028 balance)					-	12,775
133	GWM -Plan Completion		15,000	3,307	1,250	3,307	17,057
140	Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016)					-	0
142	ID4, Reducing Station design and installation (rescheduled to 2014-2015)					-	20,000
146	ID 5, Reducing Station design and installation(rescheduled to 2014-2015)		10,000			-	10,000
147	GWM-Plan conversion to IRWM		35,000		2,913	-	32,087
148	Application for IRWMP round three implementation		35,000		2,913	-	32,087
149	Collection system repairs \$25,000/manhole replacement \$50,000		75,000			-	75,000
151	Lugo building repairs		5,000			-	5,000
152	Pipeline-Country Club Road Booster Sta #3 south to Slash M					-	154,000
154	Rewind motors-ID1-10/ID4-11(rescheduled to 2014-2015)					-	30,000
155	Rewind motors-ID1-12/ID5-5		30,000			-	30,000
156	ID 1-16 pump and casing cleaning(rescheduled to 2014-2015)			96,269	30,000	96,269	96,269
157	ID4-4 pump and casing cleaning		60,000			-	60,000
159	Booster Station Motors		16,000			-	16,000
160	WWTP-Skid Steer		65,000		65,000	-	65,000
161	WWTP-Portable engine driven pump		10,000			-	10,000
162	WWTP-Rehab grit chamber & sludge holding tank diffuser system		30,000			-	30,000
163	WWTP-Jetting & Vactor Truck Service		10,000			-	10,000
164	WWTP-Rehab Clarifier		40,000			-	40,000
165	WWTP-Video Collection Lines		25,000			-	25,000
170	218 Process		110,000			-	110,000
171	Circle J Pipeline project		57,000			-	57,000
172	Trailer to haul pipe		10,000			-	10,000
173	Air Quality Compliance		40,000			-	40,000
174	New Computer for server		10,000			-	10,000
175	TOTAL NON O&M EXPENSES		688,000	99,576	102,076	99,576	997,275
176							997,275
177	CASH RECAP						
178	Cash beginning of period		1,688,382	1,969,053	1,782,457	1,969,053	1,969,053
179	Net Cash Flow (O&M)		1,219,433	182,862	140,290	182,862	1,242,067
180	Total Non O&M Expenses		(688,000)	(99,576)	(102,076)	(99,576)	(997,275)
181	CASH AT END OF PERIOD		2,219,815	2,052,338	1,820,671	2,052,339	2,213,845
182							
183	RESERVES						
184	Working Capital (4 months)		(750,000)		(750,000)		(750,000)
185	Viking Ranch		(300,000)		(300,000)		(300,000)
186	Available for Emergency Reserves		1,169,815		770,671		1,163,845
187	Target Emergency Reserves		2,000,000		2,000,000		2,000,000
188	Emergency Reserves Deficit		(830,185)		(1,229,329)		(836,155)
189							
190	SIGNIFICANT ITEMS	ACTUAL	PROJECTED				
191							
192	Total Water Revenue	450,714	246,523	204,191	Did not budget for RHGC surplus capacity		
193	R & M - WWTP	(2,047)	5,000	(7,047)	Return of blower \$4,370		
194	Engineering	1,500	(18,000)	(16,500)	T2 reimbursement for Dudek not received until 8-19-14		
195	Office Equipment/ Rental/Maintenance Agreements	4,077	1,700	(2,377)	Replacement of conference call equipment		
196	Pumping-Electricity	48,709	30,000	(18,709)	Approx \$10,000 to supply water to T2		
197							

	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP
1											
2	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	2014	2014	2014	2014	2014	2015	2015	2015	2015	2015	2015
131											
132			12,775								
133	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
140			0								
142			20,000								
146		10,000									
147	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917
148	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917	2,917
149		25,000	50,000								
151	400	400	400	400	400	500	500	500	500	500	500
152							154,000				
154		15,000		15,000							
155			15,000			15,000					
156											
157			60,000								
159		8,000					8,000				
160		65,000									
161	10,000										
162									30,000		
163						10,000					
164				40,000							
165							25,000				
170				13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750
171			57,000								
172	10,000										
173					40,000						
174		10,000									
175	27,484	140,484	222,259	76,234	61,234	46,334	208,334	21,334	51,334	21,334	21,334
176											
177											
178	2,052,338	2,161,340	1,909,391	1,812,811	1,841,544	1,929,697	2,028,391	1,924,813	1,903,847	1,962,028	2,084,916
179	136,486	(111,465)	125,678	104,967	149,388	145,028	104,756	368	109,515	144,222	150,263
180	(27,484)	(140,484)	(222,259)	(76,234)	(61,234)	(46,334)	(208,334)	(21,334)	(51,334)	(21,334)	(21,334)
181	2,161,340	1,909,391	1,812,811	1,841,544	1,929,697	2,028,391	1,924,813	1,903,847	1,962,028	2,084,916	2,213,845
182											
183											
184	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
185	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
186	1,111,340	859,391	762,811	791,544	879,697	978,391	874,813	853,847	912,028	1,034,916	1,163,845
187	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
188	(888,660)	(1,140,609)	(1,237,189)	(1,208,456)	(1,120,303)	(1,021,609)	(1,125,187)	(1,146,153)	(1,087,972)	(965,084)	(836,155)
189											
190											
191											
192											
193											
194											
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197											



BORREGO WATER DISTRICT

	BALANCE SHEET July 31, 2014 (unaudited)	BALANCE SHEET June 30, 2014 After AJEs (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,052,338.17	\$ 1,969,052.59	\$ 83,285.58
Accounts receivable from water sales and sewer charges	\$ 372,813.91	\$ 361,513.27	\$ 11,300.64
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 139,992.86	\$ 140,713.43	\$ (720.57)
Availability charges receivable	\$ -	\$ -	\$ -
Allowance for uncollectable availability charges	\$ -	\$ -	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 30,298.12	\$ 29,138.21	\$ 1,159.91
Other Receivables	\$ 2,081.40	\$ 2,270.60	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 2,597,524.46	\$ 2,502,688.10	\$ 94,836.36
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 132,554.49	\$ 132,554.49	\$ -
Unamortized bond issue costs	\$ 92,454.19	\$ 92,454.19	\$ -
Total Debt service	\$ 225,008.68	\$ 225,008.68	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 93,186.65	\$ 117,696.54	\$ (24,509.89)
Total Trust fund	\$ 93,186.65	\$ 117,696.54	\$ (24,509.89)
TOTAL RESTRICTED ASSETS	\$ 318,195.33	\$ 342,705.22	
UTILITY PLANT IN SERVICE			
Land	\$ 3,034,775.65	\$ 3,034,775.65	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 186,213.42	\$ 186,213.42	\$ -
Sewer Facilities	\$ 5,521,773.57	\$ 5,521,773.57	\$ -
Water facilities	\$ 10,585,969.56	\$ 10,489,700.75	\$ 96,268.81
Pipelines, wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,006,881.13	\$ 1,006,881.13	\$ -
Equipment and furniture	\$ 312,133.38	\$ 312,133.38	\$ -
Vehicles	\$ 495,572.91	\$ 495,572.91	\$ -
Accumulated depreciation	\$ (10,998,128.60)	\$ (10,998,128.60)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,616,493.62	\$ 14,520,224.81	\$ 96,268.81
OTHER ASSETS			
Water rights -iD4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 17,717,213.41	\$ 17,550,618.13	\$ 166,595.28

Balance sheet continued

	BALANCE SHEET July 31, 2014 (unaudited)	BALANCE SHEET June 30, 2014 After AJEs (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 25,654.64	\$ 142,918.76	\$ (117,264.12)
Accrued expenses	\$ 284,285.49	\$ 284,285.49	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 21,243.75	\$ 21,243.75	\$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 331,183.88	\$ 448,448.00	\$ (117,264.12)
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 93,186.65	\$ 117,696.54	\$ (24,509.89)
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 93,186.65	\$ 117,696.54	\$ (24,509.89)
LONG TERM LIABILITIES			
2008 Certificates of participation (payable from restricted assets)	\$ 2,750,000.00	\$ 2,750,000.00	\$ -
Viking Ranch Note	\$ 1,425,000.00	\$ 1,425,000.00	\$ -
TOTAL LONG TERM LIABILITIES	\$ 4,175,000.00	\$ 4,175,000.00	\$ -
TOTAL LIABILITIES	\$ 4,599,370.53	\$ 4,741,144.54	\$ (141,774.01)
FUND EQUITY			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 3,506,028.53	\$ 3,197,659.24	\$ 308,369.29
Total retained earnings	\$ 3,506,028.53	\$ 3,197,659.24	\$ 308,369.29
TOTAL FUND EQUITY	\$ 13,117,842.88	\$ 12,809,473.59	\$ 308,369.29
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,717,213.41	\$ 17,550,618.13	\$ 166,595.28



BORREGO WATER DISTRICT

Treasurer's Report July, 2014

% 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	\$ 2,027,964	\$ 1,887,382	\$ 1,887,382	91.96%	0.00%	N/A	WFB/UB
Payroll Account	\$ 95,048	\$ 93,595	\$ 93,595	4.56%	0.01%	N/A	WFB
MMA	\$ 50,434	\$ 50,434	\$ 50,434	2.46%	0.03%	N/A	WFB
LAIF	\$ 20,927	\$ 20,927	\$ 20,927	1.02%	0.22%	N/A	LAIF
Total Cash and Cash Equivalents	\$ 2,194,373	\$ 2,052,338	\$ 2,052,338	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 93,187	\$ 93,187	\$ 93,187				
Total Cash, Cash Equivalents & Investments	\$ 2,287,560	\$ 2,145,525	\$ 2,145,525				

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 25, 2014.

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

Sources of valuations are Umpqua Bank, 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 July, 2014

A. Vendor disbursements paid during this period:		\$ 238,770.50
<u>Significant items:</u>		
San Diego Gas & Electric	\$	40,842.10
RHGC portion of San Diego Gas & Electric	\$	9,770.60
CalPERS Payments	\$	16,420.42
Employee Health Benefits -July & August	\$	31,485.88
 B. Capital Projects/Fixed Asset Outlays:		
Hidden Valley Pump-Well #16 repair	\$	96,268.81
 C. Total Professional Services for this Period:		
<i>(included in vendor disbursements paid above)</i>		
McDougal, Love, Eckis, Attorneys	Legal-general T-2	
	Total Invoice:	<u>\$ -</u>
 Downey Brand, Attorneys	Legal-general GWM	
	Total Invoice:	<u>\$ 3,848.00</u>
 Hoska, Rotherham & Co-Audit		\$ 4,813.00
	Total Invoice:	<u>\$ 4,813.00</u>
 D. Payroll for this Period:		
Gross Payroll	\$	62,924.79
Employer Payroll Taxes and ADP Fee	\$	1,158.85
Total	\$	<u>64,083.64</u>

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JULY 31, 2014

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19329	08/14/14	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS	1,578.80
19317	07/30/14	760 PRINT BUSINESS CARDS FOR JERRY	89.72
19330	08/14/14	ABILITY ANSWERING/PAGING SER ANSWERING SERVICE JULY	196.57
19331	08/14/14	ACCURATE AIR ENGINEERING, INC PULLEY ASSEMBLY AND BUSHINGS FOR HEADWORKS BLOWER UNIT	320.17
19351	08/22/14	ACCURATE AIR ENGINEERING, INC PULLY ASSEMBLY KIT AND BELTS FOR BLOWER AT THE HEADWORKS	531.43
19293	07/10/14	CB&T ACWA-JPIA MEDICAL INSURANCE JULY MEDICAL INSURANCE AUGUST	31,485.88
19307	07/22/14	AFLAC EMPLOYEE PAID SUPPLEMENTAL INS	1,864.46
19352	08/22/14	AMERICAN BACKFLOW PREVENTION YEARLY MEMBERSHIP	80.00
19318	07/30/14	AMERICAN BACKFLOW SPECIALTIES RELIEF VALVE COVER PLATE FOR WILKINS 975XL	261.79
19332	08/14/14	AMERICAN LINEN INC. UNIFORMS FOR CREW	461.67
19353	08/22/14	AMERICAN WATER WORKS YEARLY MEMBERSHIP 11/1/14 - 10/31/15	413.00
19333	08/14/14	AT CONFERENCE CONFERENCE CALLS	14.14
19334	08/14/14	AT&T MOBILITY CELL PHONES FOR CREW	810.57
19335	08/14/14	AT&T-CALNET 2 PHONES PHONE SERVICE PHONES	325.87
19319	07/30/14	BAY CITY ELECTRIC WORKS PREVENTATIVE MAINTENANCE CUMMINS MODEL 6CTA8.3-230 PREVENTATIVE MAINTENANCE KOHLER PREVENTATIVE MAINTENANCE CUMMINS #B3.9C PREVENTATIVE MAINTENANCE MAGNA 431PSLG204	2,200.00
19336	08/14/14	BORREGO SPRINGS BOTTLED WATER WATER FOR CREW	29.86
19320	07/30/14	CMS BUSINESS FORMS, INC. BILLING SUPPLIES	1,268.58
19294	07/10/14	DATASTREAM BUSINESS	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 JULY 31, 2014

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		MAINTENANCE AGREEMENT 7/1/14 - 6/30/15	360.00
19337	08/14/14	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	41.98
19295	07/10/14	DEBBIE MORETTI PEST CONTROL	113.00
19338	08/14/14	DOWNEY BRAND PROFESSIONAL SERVICES	3,848.00
19296	07/10/14	EMPIRE SOUTHWEST CHECK EXTEND A HOE FOR CYLINDE BLEED OFF ON 416C BACKHOE	285.00
19297	07/10/14	ESRI, INC. MAINTENANCE AGREEMENT 7/27/14 - 7/26/15 87192, 87193	740.00
19308	07/22/14	FED EX SHIPMENT OF OIL SAMPLES TO LAB	12.38
19339	08/14/14	GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCLE JULY	5,210.80
19328	07/30/14	HIDDEN VALLEY PUMP SYSTEMS INC WELL #16 REPAIR ASSET #348	96,268.81
19340	08/14/14	HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAILS	123.12
19309	07/22/14	HOSAKA, ROTHERHAM & CO. PRELIMINARY AUDIT FIELDWORK 1/3 OF CONTRACT AMOUNT FOR YEAR END 6/30/14	4,813.00
19341	08/14/14	JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICES	1,500.00
19310	07/22/14	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	820.74
19321	07/30/14	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES 7146573	1,418.46
19342	08/14/14	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	606.60
19322	07/30/14	KONICA MINOLTA TAXES ON LEASED COPIER	165.58
19343	08/14/14	KONICA MINOLTA COPIER LEASE 7/25/14 - 8/24/14	1,464.37
19361	08/28/14	McDOUGAL LOVE ECKIS ATTORNEY FEES JULY	1,617.00
19344	08/14/14	NAPA AUTO PARTS INC SEE INVOICE FOR DETAILS	209.33
19323	07/30/14	PACIFIC PIPELINE SUPPLY INC INVENTORY BACKFLOW, REPAIR CLAMPS, SPARE PARTS	1,739.02
19298	07/10/14	CASH REPLENISH PETTY CASH/SEMINARS	620.00
19345	08/14/14	PHONE SYSTEMS PLUS, INC. REPLACEMENT OF CONFERENCE CALL EQUIPMENT WORK ON CONFERENCE CALL LINE	1,380.00

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 JULY 31, 2014

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19311	07/22/14	PUBLIC EMP'S RETIREMENT SYSTEM RETIREMENT BENEFITS	7,998.47
19324	07/30/14	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE RETIREMENT 7/16/14 - 7/31/14	8,421.95
19312	07/22/14	PITNEY BOWES/PURCHASE POWER POSTAGE	2,000.00
19299	07/10/14	QUILL CORPORATION OFFICE SUPPLIES	187.82
19325	07/30/14	QUILL CORPORATION OFFICE SUPPLIES	372.33
19346	08/14/14	QUILL CORPORATION OFFICE SUPPLIES OFFICE SUPPLIES	162.73
19326	07/30/14	RAMONA DISPOSAL SERVICE TRASH SERVICES	3,184.50
19313	07/22/14	RECORDER/COUNTY CLERK'S OFFICE RELEASE OF LIEN C. KING	13.00
19314	07/22/14	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	16,978.89
19327	07/30/14	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	29,105.87
19354	08/22/14	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	4,527.94
19315	07/22/14	SECAP FINANCE POSTAGE MACHINE LEASE	137.49
19347	08/14/14	CENTER MARKET GNAT SUPPLIES	3.98
19316	07/22/14	TYCO INTEGRATED SECURITY LLC SECURITY SYSTEM QUARTERLY BILL 8/1/14 - 10/31/14	189.12
19348	08/14/14	UNDERGROUND SERVICE ALERT DIG ALERTS	10.50
19349	08/14/14	VERIZON WIRELESS EMERGENCY PHONES	76.21
19350	08/14/14	WENDY QUINN RECORDING SECRETARY JULY	110.00
TOTAL			238,770.50

BLANK PAGE

	C	D	AV	AY	AZ	BA	BG
1	BWD CASH FLOW						
2							
3	2014-2015		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
4			BUDGET	AUGUST	AUGUST	YTD	PROJECTED
5	REVENUE		2014-2015	2014	2014	2014-2015	2014-2015
6	WATER REVENUE						
7	Residential Water Sales		899,221	82,288	83,539	173,756	905,393
8	Commercial Water Sales		120,570	11,135	11,648	22,553	119,549
9	Irrigation Water Sales		142,918	37,806	16,141	51,063	163,950
10	GWM Surcharge		114,930	10,416	11,321	22,144	114,876
11	Water Sales Power Portion		364,158	33,712	35,450	70,355	363,024
12	Readiness Water Charge		1,080,000	93,961	94,000	188,770	1,128,770
13	Readiness Water Charge - Liened properties		27,600	568	750	568	8,068
14	RH Golf Course surplus capacity lease			0	0	189,630	189,630
15	Meter Installation		5,809	0	0	-	5,809
16	Water hook-up charge			0	0	-	0
17	Reconnect Fees		4,080	340	340	680	4,080
18	Backflow Testing/installation		4,600	0	0	(212)	4,388
19	Bulk Water Sales		3,500	82	41	82	3,540
20	Penalty & Interest Water Collection		6,000	1,391	500	3,022	8,022
21	TOTAL WATER REVENUE:		2,773,387	271,697	253,730	722,411	3,019,099
22		Receivables					
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 09/10/14					
24	641500 1% Property Assessments	2,510	64,625	883	883	883	64,540
25	641502 Property Assess wtr/swr/flid (25 parcels \$66 ea(1,650))	2,071	1,650	0	0	-	1,886
27	641501 Water avail Standby	18,744	82,559	1,037	1,037	1,037	82,540
29	641504 ID 3 Water Standby (La Casa)	2,422	33,722	0	0	-	33,701
30	641503 Pest standby	2,315	17,938	113	113	113	17,933
31	TOTAL PROPERTY ASSES/AVAIL CHARGES:	28,062	200,493	2,034	2,034	2,034	200,599
32							
33	SEWER SERVICE CHARGES						
34	Town Center Sewer Holder's Fees		170,190	14,274	14,274	28,547	170,190
35	Town Center Sewer User Fees		38,040	3,320	3,170	3,320	35,020
36	Sewer user Fees		345,125	26,778	30,250	55,436	357,936
37	Sewer-liened		2,160	0	180	-	1,800
38	Penalty Interest-Sewer			0	0	-	0
39	Sewer Capacity Fees			0	0	-	0
40	TOTAL SEWER SERVICE CHARGES:		555,515	44,372	47,874	87,304	564,946
41							
42	OTHER INCOME						
44	Annexation Fees			0	0	-	0
45	Fire Hydrant Installation			0	0	-	0
46	Miscellaneous Income (net csd fee/JPIA rebate/check free)		15,880	103	80	185	15,905
47	Water Credits income		8,250	0	0	2,500	10,750
51	Interest Income		80	2	2	4	80
52	TOTAL OTHER INCOME:		24,210	105	82	2,689	26,734
53							
54	TOTAL INCOME:		3,553,605	318,208	303,720	814,437	3,811,379
55							
56	CASH BASIS ADJUSTMENTS						
57	Decrease (Increase) in Accounts Receivable			18,814	0	7,513	7,513
58	CC Golf Equipment receivable		2,270	189	189	378	2,270
59	Other Cash Basis Adjustments-Construction meter deposit			850	0	850	850
60	TOTAL CASH BASIS ADJUSTMENTS:		2,270	19,853	189	8,741	10,633
61							
62	TOTAL INCOME RECEIVED:		3,555,875	338,061	303,909	823,179	3,822,011

	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ
1										
2	PROJECTED									
3	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	2014	2014	2014	2014	2015	2015	2015	2015	2015	2015
5										
6										
7	75,080	82,109	78,774	62,765	65,341	58,160	53,226	80,272	81,896	94,016
8	9,651	10,787	10,043	8,118	9,864	7,954	9,228	10,861	10,688	9,801
9	15,646	18,639	12,863	9,098	9,721	7,221	5,867	9,706	11,276	12,850
10	10,258	11,178	10,287	8,154	8,657	7,475	6,636	9,882	10,157	10,050
11	32,070	34,957	32,129	25,490	27,073	23,375	21,988	32,612	30,818	32,157
12	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000
13	750	750	750	750	750	750	750	750	750	750
14	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	5,809	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0
17	340	340	340	340	340	340	340	340	340	340
18	0	0	0	0	4,600	0	0	0	0	0
19	0	0	750	0	0	484	343	482	750	650
20	500	500	500	500	500	500	500	500	500	500
21	238,295	253,260	240,435	209,214	220,845	206,067	192,879	239,405	241,174	255,114
22										
23										
24	630	759	1,995	21,031	10,822	1,673	1,610	15,990	7,882	1,267
25	236	0	0	1,650	0	0	0	0	0	0
27	795	429	6,180	21,949	22,601	2,726	3,044	5,292	14,332	4,156
29	0	89	1,070	15,015	12,713	439	584	1,046	2,254	490
30	96	54	400	4,559	6,759	377	394	2,063	2,597	523
31	1,756	1,331	9,645	64,203	52,894	5,215	5,632	24,390	27,065	6,435
32										
33										
34	14,274	14,274	14,274	14,274	14,274	14,274	14,000	14,000	14,000	14,000
35	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170	3,170
36	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250
37	180	180	180	180	180	180	180	180	180	180
38	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0
40	47,874	47,874	47,874	47,874	47,874	47,874	47,600	47,600	47,600	47,600
41										
42										
44	0	0	0	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0	0	0	0
46	80	80	80	80	80	15,000	80	80	80	80
47	0	2,750	0	2,750	0	0	0	2,750	0	0
51	2	16	2	2	16	2	2	16	2	16
52	82	2,846	82	2,832	96	15,002	82	2,846	82	96
53										
54	288,006	305,311	298,036	324,123	321,709	274,157	246,193	314,240	315,921	309,245
55										
56										
57	0	0	0	0	0	0	0	0	0	0
58	189	189	189	189	189	189	189	189	189	189
59	0	0	0	0	0	0	0	0	0	0
60	189	189	189	189	189	189	189	189	189	189
61										
62	288,195	305,500	298,225	324,312	321,898	274,346	246,382	314,429	316,111	309,434

	C	D	AV	AY	AZ	BA	BG
1	BWD CASH FLOW						
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
3	2014-2015						
4			BUDGET	AUGUST	AUGUST	YTD	PROJECTED
63	EXPENSES						
64							
65	MAINTENANCE EXPENSE						
66	R & M Buildings & Equipment		142,000	26,455	12,000	30,392	148,392
67	R & M - WWTP		60,000	3,837	5,000	1,790	51,790
68	Telemetry		20,000	0	1,500	-	17,000
69	Trash Removal		3,600	287	300	574	3,574
70	Vehicle Expense		18,000	3,866	1,000	4,075	20,075
71	Fuel & Oil		33,000	2,222	2,750	5,067	32,567
72	TOTAL MAINTENANCE EXPENSE:		276,600	36,667	22,550	41,899	273,399
73							
74	PROFESSIONAL SERVICES EXPENSE						
75	Tax Accounting (Taussig)		3,000	0	1,500	-	1,500
76	Administrative Services (ADP/Bank Fees)		6,000	443	500	524	5,524
77	Audit Fees		14,439	4,813	4,813	9,626	19,252
78	Computer billing-TBD		18,250	213	10,000	573	8,073
79	Consulting/Technical/Contract Labor		1,200	0	100	-	1,000
80	Engineering		35,000	(15,586)	(18,000)	(14,086)	14,914
81	District Legal Services		20,000	75	1,500	2,247	19,247
82	Testing/lab work		18,000	1,350	4,000	1,395	14,950
83	Regulatory Permit Fees		38,000	3	2,000	14	35,513
84	TOTAL PROFESSIONAL SERVICES EXPENSE:		153,889	(8,689)	6,413	293	119,974
85							
86	INSURANCE/DEBT EXPENSE						
87	ACWA Insurance		74,000	0	0	-	67,281
88	Workers Comp		14,400	0	0	-	14,400
89	COP 2008 Installment		255,713	196,875	0	196,875	255,713
90	TOTAL INSURANCE/DEBT EXPENSE:		344,113	196,875	0	196,875	337,394
91							
92	PERSONNEL EXPENSE						
93	Board Meeting Expense (board stipend/board secretary)		12,870	0	0	1,100	12,800
94	Salaries & Wages (gross)		730,000	58,316	59,231	121,241	729,925
95	Taxes on Payroll		15,500	808	800	1,804	15,604
96	Medical Insurance Benefits	+5% Jan-June	180,000	14,583	14,583	43,749	180,001
97	Calpers Retirement Benefits		162,000	13,050	13,500	26,736	161,736
98	Salaries & Wages contra account		(12,195)	0	0	(990)	(12,015)
99	Conference/Conventions/Training/Seminars		7,000	2,340	500	3,462	9,462
100	TOTAL PERSONNEL EXPENSE:		1,095,175	89,097	88,614	197,103	1,097,513
101							
102	OFFICE EXPENSE						
103	Office Supplies		18,000	503	1,500	3,197	18,197
104	Office Equipment/ Rental/Maintenance Agreements		25,000	6,776	1,700	10,852	32,452
105	Postage & Freight		13,000	2,041	2,093	4,054	12,949
106	Taxes on Property		2,366	0	0	-	2,366
107	Telephone/Answering Service		7,674	668	608	1,322	7,784
108	Dues & Subscriptions		3,970	0	449	493	3,881
109	Printing, Publications & Notices		838	0	0	-	766
110	Uniforms		6,000	375	500	837	5,837
111	OSHA Requirements/Emergency preparedness		4,500	0	375	-	3,750
112	TOTAL OFFICE EXPENSE:		81,347	10,363	7,225	20,754	87,981
113							
114	UTILITIES EXPENSE						
115	Pumping-Electricity		360,000	51,115	40,000	99,825	499,825
116	Office/Shop Utilities		17,319	2,486	1,954	4,831	18,056
117	Cellular Phone		8,000	76	667	963	7,629
118	TOTAL UTILITIES EXPENSE:		385,319	53,677	42,621	105,618	525,509
119							
120	TOTAL EXPENSES:		2,336,442	377,990	167,423	562,542	2,441,770
121							
122	CASH BASIS ADJUSTMENTS						
123	Decrease (Increase) in Accounts Payable			(23,985)	0	93,279	93,279
124	Increase (Decrease) in Inventory			(3,227)	0	(3,948)	(3,948)
125	Other Cash Basis Adjustments				0	1,160	1,160
126	TOTAL CASH BASIS ADJUSTMENTS:			(27,212)	0	90,491	90,491
127							
128	TOTAL EXPENSES PAID:		2,336,442	350,777	167,423	653,034	2,532,261
129							
130	NET CASH FLOW (O&M)		1,219,433	(12,716)	136,486	170,145	1,289,751

	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ
1										
2	PROJECTED									
3	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	2014	2014	2014	2014	2015	2015	2015	2015	2015	2015
63										
64										
65										
66	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	11,000	11,000
67	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
68	1,500	1,500	2,000	1,500	2,000	1,500	2,000	1,500	2,000	1,500
69	300	300	300	300	300	300	300	300	300	300
70	1,000	1,675	1,487	1,838	2,000	2,000	1,500	1,500	1,500	1,500
71	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
72	22,550	23,225	23,537	23,388	24,050	23,550	23,550	23,050	22,550	22,050
73										
74										
75	0	0	0	0	0	0	0	0	0	1,500
76	500	500	500	500	500	500	500	500	500	500
77	0	4,813	4,813	0	0	0	0	0	0	0
78	750	750	750	750	750	750	750	750	750	750
79	100	100	100	100	100	100	100	100	100	100
80	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
81	1,500	1,500	2,000	1,500	2,000	1,500	2,000	1,500	2,000	1,500
82	450	990	1,220	1,050	2,720	1,725	1,200	1,200	1,500	1,500
83	4,000	500	18,080	500	1,500	500	4,722	399	3,175	2,123
84	10,200	12,053	30,363	7,300	10,470	7,975	12,172	7,349	10,925	10,873
85										
86										
87	23,281	0	0	0	0	0	11,000	33,000	0	0
88	3,600	0	0	3,600	0	0	3,600	0	0	3,600
89	0	0	0	0	0	0	58,838	0	0	0
90	26,881	0	0	3,600	0	0	73,438	33,000	0	3,600
91										
92										
93	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
94	60,852	62,472	62,611	62,472	62,499	57,611	59,231	60,852	60,852	59,231
95	900	900	1,100	930	3,500	1,700	1,200	1,500	1,100	970
96	14,583	14,583	14,583	14,583	15,584	15,584	15,584	15,584	15,584	0
97	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
98	(1,170)	(1,170)	(1,170)	(1,170)	(1,170)	(495)	(1,170)	(1,170)	(1,170)	(1,170)
99	1,900	700	1,000	600	100	400	500	100	600	100
100	91,735	92,155	92,794	92,085	95,183	89,470	90,015	91,536	91,636	73,801
101										
102										
103	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
104	5,350	2,650	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
105	50	2,000	20	2,014	0	2,020	50	1,000	50	1,691
106	0	2,188	0	0	177	0	0	0	0	0
107	668	645	617	596	627	511	700	700	700	700
108	339	0	0	25	237	132	200	2,360	50	45
109	0	550	0	0	0	0	116	0	0	100
110	500	500	500	500	500	500	500	500	500	500
111	375	375	375	375	375	375	375	375	375	375
112	8,782	10,409	4,712	6,710	5,116	6,737	5,141	8,135	4,875	6,611
113										
114										
115	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
116	1,960	1,313	1,185	1,174	1,384	1,192	1,032	1,179	1,237	1,570
117	667	667	667	667	667	667	666	666	666	666
118	42,627	41,980	41,852	41,841	42,051	41,859	41,698	41,845	41,903	42,236
119										
120	202,774	179,822	193,258	174,924	176,870	169,591	246,014	204,914	171,889	159,171
121										
122										
123	0	0	0	0	0	0	0	0	0	0
124	0	0	0	0	0	0	0	0	0	0
125	0	0	0	0	0	0	0	0	0	0
126	0	0	0	0	0	0	0	0	0	0
127										
128	202,774	179,822	193,258	174,924	176,870	169,591	246,014	204,914	171,889	159,171
129										
130	85,421	125,678	104,967	149,388	145,028	104,756	368	109,515	144,222	150,263

	C	D	AV	AY	AZ	BA	BG
1	BWD CASH FLOW						
2				ADOPTED	ACTUAL	PROJECTED	ACTUAL
3	2014-2015		BUDGET	AUGUST	AUGUST	YTD	YTD + PROJ MONTHS>>
4			2014-2015	2014	2014	2014-2015	2014-2015
131	NON O & M EXPENSES						
132	USGS Basin study					-	12,775
133	GWM -Plan Completion		15,000	3,273	1,250	6,580	19,080
140	Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016)					-	0
142	ID4, Reducing Station design and installation (rescheduled to 2014-2015)					-	20,000
146	ID 5, Reducing Station design and installation(rescheduled to 2014-2015)		10,000			-	10,000
147	GWM-Plan conversion to IRWM		35,000		2,917	-	35,000
148	Application for IRWMP round three implementation		35,000		2,917	-	35,000
149	Collection system repairs \$25,000/manhole replacement \$50,000		75,000			-	75,000
151	Lugo building repairs		5,000		400	-	4,600
152	Pipeline-Country Club Road Booster Sta #3 south to Slash M					-	154,000
154	Rewind motors-ID1-10/ID4-11(rescheduled to 2014-2015)					-	30,000
155	Rewind motors-ID1-12/ID5-5		30,000			-	30,000
156	ID 1-16 pump and casing cleaning(rescheduled to 2014-2015)					96,269	96,269
157	ID4-4 pump and casing cleaning		60,000			-	60,000
159	Booster Station Motors		16,000			-	16,000
160	WWTP-Skid Steer		65,000			-	65,000
161	WWTP-Portable engine driven pump		10,000		10,000	-	10,000
162	WWTP-Rehab grit chamber & sludge holding tank diffuser system		30,000			-	30,000
163	WWTP-Jetting & Vactor Truck Service		10,000			-	10,000
164	WWTP-Rehab Clarifier		40,000			-	40,000
165	WWTP-Video Collection Lines		25,000			-	25,000
170	218 Process		110,000			-	110,000
171	Circle J Pipeline project		57,000			-	57,000
172	Trailer to haul pipe		10,000		10,000	-	10,000
173	Air Quality Compliance		40,000			-	40,000
174	New Computer for server		10,000			-	10,000
175	TOTAL NON O&M EXPENSES		688,000	3,273	27,484	102,849	1,004,724
176							1,004,724
177	CASH RECAP						
178	Cash beginning of period		1,688,382	2,052,338	2,052,338	1,969,053	1,969,053
179	Net Cash Flow (O&M)		1,219,433	(12,716)	136,486	170,145	1,289,751
180	Total Non O&M Expenses		(688,000)	(3,273)	(27,484)	(102,849)	(1,004,724)
181	CASH AT END OF PERIOD		2,219,815	2,036,349	2,161,340	2,036,349	2,254,079
182							
183	RESERVES						
184	Working Capital (4 months)		(750,000)		(750,000)		(750,000)
185	Viking Ranch		(300,000)		(300,000)		(300,000)
186	Available for Emergency Reserves		1,169,815		1,111,340		1,204,079
187	Target Emergency Reserves		2,000,000		2,000,000		2,000,000
188	Emergency Reserves Deficit		(830,185)		(888,660)		(795,921)
189							
190	SIGNIFICANT ITEMS	ACTUAL	PROJECTED				
191							
192	Total Water Revenue	271,697	253,730	17,967	T2 water charge over spare capacity allotment		
193	Total Maintenance Expense	36,667	22,550	14,117	Extra well repairs		
194	COP 2008 Installment	196,875	0	196,875	Projected to pay in September		

	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ
1										
2	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	2014	2014	2014	2014	2015	2015	2015	2015	2015	2015
131										
132	3,526				9,249					
133	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
140		0								
142		20,000								
146	10,000									
147	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
148	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
149		25,000			50,000					
151	400	400	400	400	500	500	500	500	500	500
152						154,000				
154	15,000		15,000							
155		15,000			15,000					
156										
157		60,000								
159	8,000					8,000				
160	65,000									
161		10,000								
162							30,000			
163					10,000					
164			40,000							
165						25,000				
170			13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750
171		57,000								
172		10,000								
173				40,000						
174	10,000									
175	120,176	205,650	77,400	62,400	106,749	209,500	22,500	52,500	22,500	22,500
176										
177										
178	2,036,349	2,001,593	1,921,621	1,949,188	2,036,176	2,074,455	1,969,711	1,947,579	2,004,594	2,126,316
179	85,421	125,678	104,967	149,388	145,028	104,756	368	109,515	144,222	150,263
180	(120,176)	(205,650)	(77,400)	(62,400)	(106,749)	(209,500)	(22,500)	(52,500)	(22,500)	(22,500)
181	2,001,593	1,921,621	1,949,188	2,036,176	2,074,455	1,969,711	1,947,579	2,004,594	2,126,316	2,254,079
182										
183										
184	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
185	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
186	951,593	871,621	899,188	986,176	1,024,455	919,711	897,579	954,594	1,076,316	1,204,079
187	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
188	(1,048,407)	(1,128,379)	(1,100,812)	(1,013,824)	(975,545)	(1,080,289)	(1,102,421)	(1,045,406)	(923,684)	(795,921)
189										
190										
191										
192										
193										
194										



BORREGO WATER DISTRICT

	BALANCE SHEET August 31, 2014 (unaudited)	BALANCE SHEET July 31, 2014 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,036,348.82	\$ 2,052,338.17	\$ (15,989.35)
Accounts receivable from water sales and sewer charges	\$ 354,000.28	\$ 372,813.91	\$ (18,813.63)
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 136,765.63	\$ 139,992.86	\$ (3,227.23)
Availability charges receivable	\$ -	\$ -	\$ -
Allowance for uncollectable availability charges	\$ -	\$ -	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 30,298.12	\$ 30,298.12	\$ -
Other Receivables	\$ 1,892.20	\$ 2,081.40	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 2,559,305.05	\$ 2,597,524.46	\$ (38,219.41)
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 132,554.49	\$ 132,554.49	\$ -
Unamortized bond issue costs	\$ 92,454.19	\$ 92,454.19	\$ -
Total Debt service	\$ 225,008.68	\$ 225,008.68	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 93,189.80	\$ 93,186.65	\$ 3.15
Total Trust fund	\$ 93,189.80	\$ 93,186.65	\$ 3.15
TOTAL RESTRICTED ASSETS	\$ 318,198.48	\$ 318,195.33	
UTILITY PLANT IN SERVICE			
Land	\$ 3,034,775.65	\$ 3,034,775.65	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 186,213.42	\$ 186,213.42	\$ -
Sewer Facilities	\$ 5,521,773.57	\$ 5,521,773.57	\$ -
Water facilities	\$ 10,585,969.56	\$ 10,585,969.56	\$ -
Pipelines, wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,006,881.13	\$ 1,006,881.13	\$ -
Equipment and furniture	\$ 312,133.38	\$ 312,133.38	\$ -
Vehicles	\$ 495,572.91	\$ 495,572.91	\$ -
Accumulated depreciation	\$ (10,998,128.60)	\$ (10,998,128.60)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,616,493.62	\$ 14,616,493.62	\$ -
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 17,678,997.15	\$ 17,717,213.41	\$ (38,216.26)

Balance sheet continued

	BALANCE SHEET August 31, 2014 (unaudited)	BALANCE SHEET July 31, 2014 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 49,639.55	\$ 25,654.64	\$ 23,984.91
Accrued expenses	\$ 284,285.49	\$ 284,285.49	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 22,093.75	\$ 21,243.75	\$ 850.00
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 356,018.79	\$ 331,183.88	\$ 24,834.91
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 93,189.80	\$ 93,186.65	\$ 3.15
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 93,189.80	\$ 93,186.65	\$ 3.15
LONG TERM LIABILITIES			
2008 Certificates of participation(payable from restricted assets)	\$ 2,615,000.00	\$ 2,750,000.00	\$ (135,000.00)
Viking Ranch Note	\$ 1,425,000.00	\$ 1,425,000.00	\$ -
TOTAL LONG TERM LIABILITIES	\$ 4,040,000.00	\$ 4,175,000.00	\$ (135,000.00)
TOTAL LIABILITIES	\$ 4,489,208.59	\$ 4,599,370.53	\$ (110,161.94)
FUND EQUITY			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 3,577,974.21	\$ 3,506,028.53	\$ 71,945.68
Total retained earnings	\$ 3,577,974.21	\$ 3,506,028.53	\$ 71,945.68
TOTAL FUND EQUITY	\$ 13,189,788.56	\$ 13,117,842.88	\$ 71,945.68
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,678,997.15	\$ 17,717,213.41	\$ (38,216.26)



BORREGO WATER DISTRICT

TREASURER'S REPORT AUGUST, 2014

Bank Balance	Carrying Value	Fair Value	% of Portfolio		Maturity	Valuation Source
			Current Actual	Rate of Interest		

Cash and Cash Equivalents:

Demand Accounts at WFB/UB/LAIF

WFB/UB General Account/Petty Cash	\$ 2,194,922	\$ 1,925,063	\$ 1,925,063	94.54%	0.00%	N/A	WFB/UB
Payroll Account	\$ 41,376	\$ 39,924	\$ 39,924	1.96%	0.01%	N/A	WFB
MMA	\$ 50,435	\$ 50,435	\$ 50,435	2.48%	0.03%	N/A	WFB
LAIF	\$ 20,927	\$ 20,927	\$ 20,927	1.03%	0.22%	N/A	LAIF
Total Cash and Cash Equivalents	\$ 2,307,661	\$ 2,036,349	\$ 2,036,349	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 93,190	\$ 93,190	\$ 93,190
Total Cash, Cash Equivalents & Investments	\$ 2,400,850	\$ 2,129,539	\$ 2,129,539

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 25, 2014.

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

Sources of valuations are Umpqua Bank, 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 August, 2014

A. Vendor disbursements paid during this period:		\$	352,551.35
<u>Significant items:</u>			
San Diego Gas & Electric		\$	37,348.80
RHGC portion of San Diego Gas & Electric		\$	15,800.76
CalPERS Payments		\$	15,656.00
Employee Health Benefits		\$	15,742.94
COP-2008 payment		\$	196,875.00
B. Capital Projects/Fixed Asset Outlays:			
C. Total Professional Services for this Period:			
<i>(included in vendor disbursements paid above)</i>			
Downey Brand, Attorneys	Legal-general		
	GWM	\$	2,772.94
	Total Invoice:	\$	2,772.94
Dynamic Consulting Engineers-Sewer-Rams Hill/La Casa		\$	3,902.50
	Total Invoice:	\$	3,902.50
Hoska, Rotherham & Co-Audit		\$	4,813.00
	Total Invoice:	\$	4,813.00
D. Payroll for this Period:			
Gross Payroll		\$	58,316.46
Employer Payroll Taxes and ADP Fee		\$	970.22
Total		\$	59,286.68

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
AUGUST 31, 2014

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19397	09/10/14	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS	5,040.84
19382	09/08/14	ABILITY ANSWERING/PAGING SER ANSWERING SERVICE	216.82
19355	08/22/14	CB&T ACWA-JPIA EMPLOYEE MEDICAL	15,742.94
19362	08/28/14	AFLAC EMPLOYEE PAID SUPPLEMENTAL INS	1,864.46
19398	09/10/14	AMERICAN LINEN INC. UNIFORMS FOR CREW	375.12
19383	09/08/14	AT&T-CALNET 2 PHONE SERVICE	319.32
19363	08/28/14	BORREGO SPRINGS BOTTLED WATER WATER FOR CREW	8.00
19364	08/28/14	CITIZENS BUSINESS BANK INSTALLMENT AGREEMENT 08-043 REFINANCE OF 1997 AND 1998 COP	196,875.00
19399	09/10/14	DATASTREAM BUSINESS HP9000 PROGRAMMING	213.45
19365	08/28/14	DE ANZA READY MIX ID4 WELL 4 KICKER FOR WATER MAIN CONFIGURATION CHANGE	239.88
19400	09/10/14	DE ANZA READY MIX CONCRETE FOR PALM CANYON PRV KICKER	344.76
19384	09/08/14	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	166.15
19356	08/22/14	DEBBIE MORETTI PEST CONTROL	113.00
19366	08/28/14	CDPH-OCP RENEWAL OF D2 CERTIFICATE BUD PEREZ	130.00
19367	08/28/14	DESERT TIRE CENTER TIRES FOR 2007 GMC SIERRA 2 TIRES ON FORD 2001 F150	742.22
19368	08/28/14	DOWNEY BRAND LEGAL SERVICES	2,772.94
19401	09/10/14	DYNAMIC CONSULTING ENGINEERS ENGINEERING ASSISTANCE RAMS HILL AND LA CASA	3,902.50
19385	09/08/14	E.S. BABCOCK & SONS, INC. WATER SAMPLES TO LAB	1,350.00
19402	09/10/14	EMPIRE SOUTHWEST 350KW GENERATOR SERVICE CONTRACT #1450E06535 8/1/14 - 7/31/15	2,401.00
19386	09/08/14	GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCLE AUGUST	5,210.80

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
AUGUST 31, 2014

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19357	08/22/14	HACH COMPANY PH PROBE FOR RHWTF	634.30
19369	08/28/14	HIDDEN VALLEY PUMP SYSTEMS INC WELL 5 CSD5 MAINTENANCE	150.00
19387	09/08/14	HIDDEN VALLEY PUMP SYSTEMS INC REPLACE 8" WELL TO WATER MAIN PARTS (FAILURE)	2,929.84
19403	09/10/14	HIDDEN VALLEY PUMP SYSTEMS INC REMOVE, REBUILD AND REPLACE BOOSTER 4 BOOSTER STA 2	5,082.12
19404	09/10/14	HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAILS	1,594.88
19370	08/28/14	HOSAKA, ROTHERHAM & CO. AUDIT FEES	4,813.00
19371	08/28/14	HYDROTEX ENGINE OIL SAMPLE BOTTLES	359.60
19388	09/08/14	JANICE R. NARAGON GROUNDWATER MANAGMENT PLAN	500.00
19389	09/08/14	JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICES	1,500.00
19358	08/22/14	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	1,167.98
19390	09/08/14	KENNY STRICKLAND, INC. GAS FOR DISTRICT VEHICLES	993.53
19405	09/10/14	KONICA MINOLTA COPIER LEASE	1,319.59
19391	09/08/14	NAPA AUTO PARTS INC MISC PARTS	155.96
19372	08/28/14	PACIFIC PIPELINE SUPPLY INC MATERIALS WELL 4 REPAIR ID4 MATERIALS OLD WELL 5 (ID4) MATERIALS OLD WELL 5 (ID4) 4" BALL VALVE 4" DEZURIK PLUG VALVE	8,081.38
19406	09/10/14	PACIFIC PIPELINE SUPPLY INC HYDRANT OUT OF SERVICE BAGS PIPE, DUCTILE COUPLINGS (INV)	2,770.30
19373	08/28/14	PUBLIC EMP'S RETIREMENT SYSTEM RETIREMENT BENEFITS 8/1/14 - 8/15/14	7,998.47
19392	09/08/14	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE RETIREMENT	7,657.53
19374	08/28/14	PITNEY BOWES/PURCHASE POWER POSTAGE	2,000.00
19375	08/28/14	QUILL CORPORATION OFFICE SUPPLIES	373.64
19393	09/08/14	RAMONA DISPOSAL SERVICE TRASH SERVICE	3,184.50
19376	08/28/14	RECORDER/COUNTY CLERK'S OFFICE RELEASE LIEN 3-0056-1	13.00
19359	08/22/14	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	22,124.35
19377	08/28/14	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	30,271.44

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 AUGUST 31, 2014

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19394	09/08/14	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	753.77
19378	08/28/14	SAN DIEGO MAILING SOLUTIONS ANNUAL MAINTENANCE CONTRACT POSTAGE AND STUFFER MACHINE	1,340.00
19360	08/22/14	SECAP FINANCE POSTAGE MACHINE LEASE	137.49
19379	08/28/14	SYNECO SYSTEMS, INC BIOLOGIC FOR ODOR CONTROL	983.23
19380	08/28/14	TEMECULA VALLEY PIPE & SUPPLY 6" PRESSURE REDUCING VALVE @ID4 WELL 5 PALM CANYON	3,975.48
19395	09/08/14	UNDERGROUND SERVICE ALERT DIG ALERTS	3.00
19407	09/10/14	VERIZON WIRELESS EMERGENCY PHONES	76.21
19396	09/08/14	XYLEM WATER SOLUTIONS USA, INC SEWER LIFT STATION ANNUAL MAINTENANCE	1,577.56
TOTAL			352,551.35

Borrego Water District Management Report – August and September 2014

By: Jerry Rolwing

FEDERAL LEVEL

U.S. Geological Survey: The USGS final report entitled "Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County, California is expected to be released in December 2014.

U.S. Bureau of Reclamation: The Reclamation final report entitled "Southeast California Regional Basin Study" is at the Denver office for final review and is expected to be released in the next month.

STATE LEVEL

On September 16th, Governor Brown signed AB 1739, SB 1168 and SB 1319, which taken collectively establish a new structure for managing the State's groundwater (attachment A).

I have been working with the Southern District office of the Department of Water Resources on the next steps required to build our Integrated Regional Water Management Plan. In June of 2013, after a personal meeting with District Special Legal Counsel David Aladjem and then Deputy Chief Director Dale Hoffman-Floerke, we received a letter approving a "phased approach" to building our Plan. After discussions with RMC Water and Environment, the consultant previously used to submit our Planning Grant application, there is no procedure in the DWR guidelines to move in this direction. A follow up with DWR Southern office reiterated this detail and more contact is needed to pursue this avenue before proceeding to build our Plan (attachment B).

COUNTY LEVEL

The Borrego Water District, Borrego Water Coalition and the County Department of Planning and Development Services are working together to modify the water credit program so this program can work with the Groundwater Management Plan.

LOCAL LEVEL

I have been working with the Borrego Water Coalition on the policy issues of the Groundwater Management Plan Update. The Coalition will submit their recommendations later this year for District review and will be featured in the Fall Groundwater Management Workshops for public comments.

DISTRICT LEVEL

Several projects are underway with the field crew to enhance the infrastructure throughout the District. Lead and Copper sampling was performed in August as per State regulations.

Rams Hill has filed for and now completed three test holes as per the T2 Borrego/BWD Agreement. Wells TW 10, 11 and 12 were drilled on the north side of Borrego Springs Road on Rams Hill property. A Water Supply Application will be filed prior to an wells going on-line to provide water to the golf course.



OFFICE OF THE GOVERNOR

September 16, 2014

To the Members of the California Legislature:

I am signing AB 1739, SB1168 and SB1319, which taken collectively establish a new structure for managing the State's groundwater.

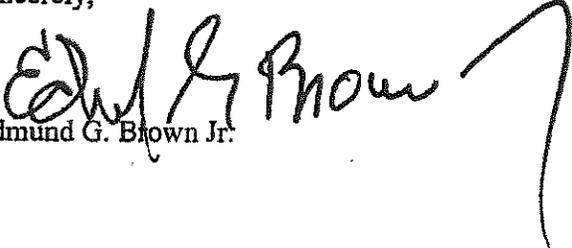
These bills accomplish a number of goals described in the California Water Action Plan, a five-year plan to sustainably manage our water resources. When combined with the other elements outlined in the plan -- conservation, water recycling, expanded storage, safe drinking water, wetlands and watershed restoration -- and the passage of Proposition 1, we can take giant strides to secure California's water future.

A central feature of these bills is the recognition that groundwater management in California is best accomplished locally. Local agencies will now have the power to assess the conditions of their local groundwater basins and take the necessary steps to bring those basins in a state of chronic long-term overdraft into balance.

The State's primary role is to provide guidance and technical support on how to plan for a more sustainable future and to step in on an interim basis when, but only when, local agencies fail to exercise their responsibilities as set forth in this legislation.

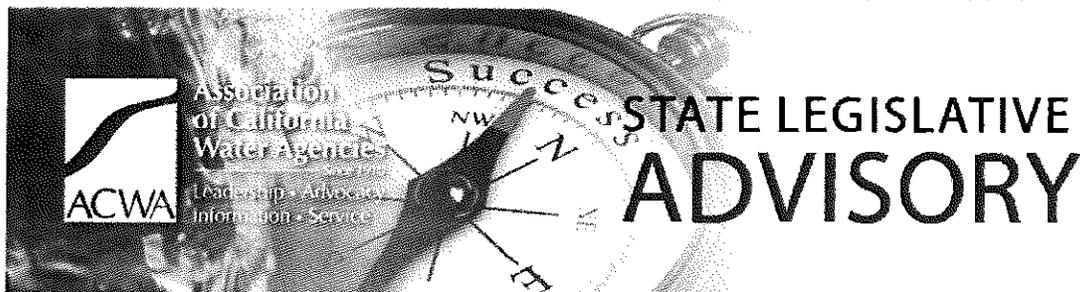
My administration will work closely with all affected groups to ensure that the statute is fairly implemented. Further, I will submit for legislative consideration during the next session a proposal to streamline judicial adjudications of groundwater rights.

Sincerely,


Edmund G. Brown Jr.

[Print](#) | [Close Window](#)

Subject: Groundwater Bills Signed by Governor Brown
 From: ACWA <acwabox@acwa.com>
 Date: Tue, Sep 16, 2014 4:01 pm
 To: Jerry@boregowd.org



Sept. 16, 2014

Groundwater Bills Signed by Governor Brown

A three-bill package aimed at advancing sustainable groundwater management throughout California was signed into law by Gov. Jerry Brown today.

The legislation, known as the Sustainable Groundwater Management Act, provides a framework for the improved management of groundwater supplies by local authorities. The bills also provide a mechanism for limited state intervention when necessary to protect groundwater resources.

The governor signed the bills during a press event in his Capitol office that included authors of the legislation, legislative leaders, and representatives of several organizations, including ACWA Executive Director Timothy Quinn.

"A central feature of these bills is the recognition that groundwater management in California is best accomplished locally," the governor wrote in his official signing message. "Local agencies will now have the power to assess the conditions of their local water basins and take necessary steps to bring those basins in a state of chronic long-term overdraft into balance."

The three-bill package, composed of AB 1739 (Dickinson), SB 1168 (Pavley) and SB 1319 (Pavley), requires the formation of new local groundwater sustainability agencies responsible for establishing long-term, locally-based groundwater management plans and ultimately protecting groundwater within their jurisdictions. The legislation also provides for limited state intervention as necessary to ensure that groundwater resources are being protected.

In his remarks at the bill signing event, Quinn noted the historical nature of the package and said it is designed to empower local agencies to address a groundwater crisis that has been simmering for more than 50 years.

Quinn acknowledged that while ACWA supported the legislation, several member agencies remained opposed.

"ACWA recognizes there are concerns, particularly in the Central Valley, where water managers are struggling with drought and deep cuts in surface water deliveries. But it is important to keep in mind that this groundwater legislation is but one essential component of a comprehensive water action plan put forth by the Brown Administration and strongly supported by ACWA and its members," Quinn said.

The governor also referenced the comprehensive water action plan in his signing message for the legislation.

"These bills accomplish a number of goals described in the California Water Action Plan, a five-year plan to sustainably manage our water resources," the governor wrote. "When combined with the other elements outlined in the plan – conservation, water recycling, expanded storage, safe drinking water, wetlands and watershed restoration – and the passage of Proposition 1, we can take giant strides to secure California's water future."

The governor also pledged to work with all affected groups to ensure the package is implemented fairly.

About the Groundwater Sustainability Act

The legislative package establishes a definition of sustainable groundwater management and requires local agencies to adopt management plans for the state's most important groundwater basins. It prioritizes groundwater basins that are currently overdrafted and sets a timeline for implementation:

- By 2017, local groundwater sustainability agencies must be formed;
- By 2020, overdrafted groundwater basins must have sustainability plans in place;
- By 2022, other high and medium priority basins not currently in overdraft must have sustainability plans in place; and
- By 2040, all high and medium priority groundwater basins must achieve sustainability.

Additionally, the legislation grants broad management authorities to groundwater sustainability agencies and provides tools that local agencies may use to achieve sustainability goals.

It also identifies measurable objectives and milestones to reach sustainability and a state role of limited intervention when local agencies are unable or unwilling to adopt sustainable management plans.

Watch for a summary of the groundwater legislation in the Sept. 19 issue of *ACWA News*.

Members with questions about the groundwater legislation may contact ACWA Senior Legislative Advocate Whitnie Wiley at whitniew@acwa.com or call 916-441-4545.

Leadership | Advocacy | Information
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Association of California Water Agencies, 910 K Street, Ste. 100, Sacramento, CA 95814

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DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



June 18, 2013

Mr. Jerry Rolwing, Chair
Anza-Borrego Desert IRWMG
806 Palm Canyon Drive
Borrego Springs, California 92004

Dear Mr. Rolwing:

This is in response to your letter dated May 14, 2013 requesting a phased approach to implementing Integrated Regional Water Management (IRWM) in the Anza Borrego Desert Region (ABD Region), and approval of additional facilitation support for the Borrego Water Coalition (BWC).

We agree with your phased approach to stakeholder engagement in the ABD Region, and appreciate the effort undertaken to include outlying communities in the IRWM process. We encourage you to keep these communities informed of your progress, and allow them to participate in a regional stakeholder process in the future if the opportunity arises.

As you may already know, the facilitation review committee approved BWC's application for facilitation support on May 6, 2013. Staff is working with the Center for Collaborative Policy to develop a task order, with the goal of providing support in September 2013.

If you have any questions or wish to discuss this matter further, please contact Mark Stuart Southern Region Office Chief, at (818) 500-1645 or marks@water.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Dale K. Hoffman Floerke".

Dale K. Hoffman-Floerke
Chief Deputy Director

cc: Mark Stuart, DWR, IRWM SR Glendale
Brian Moniz, DWR, IRWM SR Special Projects
Laura Peters, DWR, IRWM Financial Assistant
David Aladjem, Downey Brand
Paula Landis, DWR, IRWM SJD

[Print](#) | [Close Window](#)**Subject:** Borrego Valley Community GWMP**From:** "Moniz, Brian@DWR" <Brian.Moniz@water.ca.gov>**Date:** Thu, Aug 07, 2014 1:43 pm**To:** "jerry@borregowd.org" <jerry@borregowd.org>**Cc:** "Stuart, Mark@DWR" <Mark.Stuart@water.ca.gov>, "Pierotti, Bob@DWR" <Bob.Pierotti@water.ca.gov>, "Rosa, Timothy@DWR" <Timothy.Rosa@water.ca.gov>**Attach:** image004.png

image005.png

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image003.jpg

P84_IRWM_GL_Drought2014_PublicReviewDraft.pdf

Hi Jerry.

I did some digging around since we talked on July 29th, and I came up with some information for you. What it comes down to is that Borrego Valley Community Groundwater Management Plan needs to address the sixteen plan standards set forth in the 2014 IRWM Guidelines (attached) in order for it to be considered an eligible plan. The next thing to consider is the region boundary. While a majority of the known issues reside in the Borrego Valley, there still may be issues that reside in the outlying communities of the region. With the onset of the drought, these communities may now more than ever find themselves in a position of wanting to work together to help resolve local and region-wide water resource issues. I understand that it is the position of the ABD Region to approach stakeholder engagement in the region using a phased approach, but the plan itself would need to cover the entire region in order for it to be considered an eligible plan. Now if consistent public outreach throughout the development of the sixteen plan standards and subsequent IRMP does not yield any involvement from the outlying communities, then you cannot force them participate; but you must document your due diligence to engage these communities through public meetings and workshops. I hope this helps to address the question raised in your letter sent on July 28, 2014. Please let me know if I can be of any further assistance.

Brian

Brian C. Moniz, P.E.

Senior Engineer, Water Resources
Regional Coordinator, Southern Region
Chief, Special Projects

Department of Water Resources
Division of Integrated Regional Water Management
SOUTHERN REGION



770 Fairmont Avenue, Suite 102 • Glendale, CA 91203-1035

Phone: 818.500.1645, Ext. 250 • Cell: 818.359.7072 • Fax: 818.543.4604 • Email: brian.moniz@water.ca.gov

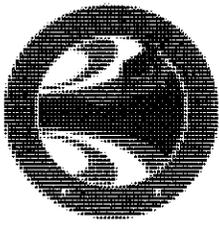
WATER SAFETY ENVIRONMENTAL STewardSHIP ECONOMIC STABILITY

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BORREGO WATER DISTRICT

July 2014

WATER OPERATIONS REPORT

<u>WELL</u>	<u>TYPE</u>	<u>FLOW RATE</u>	<u>STATUS</u>	<u>COMMENT</u>
ID1-1	Irrigation	150	Standby	SOLD
ID1-2	Irrigation	150	Standby	SOLD
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	950	In Use	
ID1-16	Production	850	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: ID1-Well 16 is in service and operating at expected capacity.

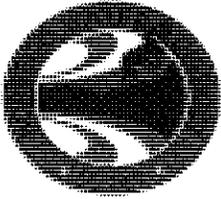
All other Production Wells and reservoirs are in operating condition.

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: 49,651 (gallons per day)

Peak flow: 65,909 gpd Sunday July 27, 2014



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

July 2014

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
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
May-13	22.86	11.86	118.08	5.37	158.17
Jun-13	26.59	12.71	133.18	2.86	175.34
Jul-13	27.81	14.19	153.49	2.42	197.91
Aug-13	27.96	13.26	123.17	2.45	166.84
Sep-13	30.51	11.16	117.30	0.92	159.89
Oct-13	29.63	10.86	137.93	4.34	182.76
Nov-13	21.45	11.58	113.46	5.28	151.77
Dec-13	16.85	6.75	89.16	3.48	116.24
Jan-14	12.51	7.44	99.13	4.12	123.20
Feb-14	20.59	6.37	90.06	3.81	120.83
Mar-14	34.62	6.90	89.53	3.93	134.98
Apr-14	29.52	8.32	118.08	6.35	162.27
May-14	72.93	8.46	111.16	5.15	197.70
Jun-14	87.66	9.52	121.42	2.34	220.94
Jul-14	132.29	9.13	138.73	2.72	282.87
12 Mo. TOTAL	516.52	109.75	1349.13	44.89	2020.29

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
Jul-14	1.06	1.64	13.80	N/A	5.50
12 Mo. Average	2.57	1.49	11.80	N/A	5.29

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 1
 Month of July 2014

----- Water Production (Acre Feet) -----									
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Wells 1&2	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JUL'13	0.00	0.00	0.02	7.16	34.82	0.00	0.00	42.00	27.81

AUG'13	0.00	0.00	0.08	13.53	27.61	0.00	0.00	41.22	27.96
SEP'13	0.00	0.00	1.00	10.35	30.32	0.00	0.00	41.67	30.51
OCT'13	0.00	0.00	0.06	11.21	29.22	0.00	0.00	40.49	29.63
NOV'13	0.00	0.00	0.00	11.99	21.04	0.00	0.00	33.03	21.45
DEC'13	0.00	0.00	0.94	7.26	15.40	0.00	0.00	23.60	16.85
JAN'14	0.00	0.00	0.00	0.09	19.86	0.00	0.00	19.95	12.51
FEB'14	0.00	0.00	0.20	8.03	18.73	0.00	0.00	26.96	20.59
MAR'14	5.35	6.74	0.00	27.26	17.92	0.00	12.09	45.18	50.37
APR'14	0.00	0.00	0.07	32.69	31.33	0.00	0.00	64.09	55.77
MAY'14	24.66	25.30	1.52	27.76	43.65	0.00	49.96	72.93	114.43
JUN'14	15.43	13.90	0.04	24.42	63.20	0.00	29.33	87.66	107.47
JUL'14	18.94	13.16	0.03	39.19	70.10	0.00	32.10	109.32	132.29

TOTALS	64.38	59.10	3.94	213.78	388.38	0.00	123.48	606.10	619.83
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

----- Water Use (Acre Feet) -----										
Date	Domestic	Irrigat'n	Constrt'n	Golf Course	Golf Spare Cap	ID 3	ID 4	Total	Water Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JUL'13	11.08	15.99	0.00	0.00	0.00	14.19	0.00	41.26	0.74	1.76%

AUG'13	11.21	18.22	0.00	0.00	0.00	13.26	0.00	42.69	-1.47	-3.56%
SEP'13	10.19	18.81	0.00	0.00	0.00	11.16	0.00	40.16	1.51	3.62%
OCT'13	11.12	13.31	0.06	0.00	0.00	10.86	0.00	35.35	5.14	12.68%
NOV'13	9.63	10.24	0.00	0.00	0.00	11.58	0.00	31.45	1.58	4.79%
DEC'13	8.10	7.67	0.00	0.00	0.00	6.75	0.00	22.52	1.08	4.59%
JAN'14	8.40	8.29	0.00	0.00	0.00	7.44	0.00	24.13	-4.18	-20.89%
FEB'14	6.66	5.11	0.00	0.00	6.00	6.37	0.00	24.14	2.82	10.45%
MAR'14	6.88	4.98	1.88	3.62	15.75	6.90	0.00	40.01	5.17	11.43%
APR'14	9.20	8.32	1.90	6.96	26.25	8.32	0.00	60.95	3.14	4.90%
MAY'14	8.85	8.90	0.19	10.21	37.71	8.46	0.00	74.32	-1.39	-1.90%
JUN'14	10.03	12.25	0.00	4.32	50.52	9.52	0.00	86.64	1.02	1.17%
JUL'14	11.26	16.13	0.62	12.03	58.98	9.13	0.00	108.15	1.17	1.06%

TOTALS	111.53	132.23	4.65	37.14	195.21	109.75	0.00	590.51	15.59	2.57%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 3
 Month of July 2014

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
JUL'13	1.08	6.31	0.11	6.36	6.47	1.19	12.67	13.86
AUG'13	1.10	5.74	0.03	5.98	6.01	1.13	11.72	12.85
SEP'13	0.93	4.67	0.03	5.36	5.39	0.96	10.03	10.99
OCT'13	1.17	4.50	0.06	4.96	5.02	1.23	9.46	10.69
NOV'13	0.59	3.28	0.12	6.84	6.96	0.71	10.12	10.83
DEC'13	0.20	3.22	0.10	3.77	3.87	0.30	6.99	7.29
JAN'14	0.00	2.60	0.12	4.65	4.77	0.12	7.25	7.37
FEB'14	0.00	2.04	0.04	4.15	4.19	0.04	6.19	6.23
MAR'14	0.00	3.02	0.08	3.78	3.86	0.08	6.80	6.88
APR'14	0.00	3.37	0.06	4.80	4.86	0.06	8.17	8.23
MAY'14	0.00	3.24	0.04	5.15	5.19	0.04	8.39	8.43
JUN'14	0.00	3.32	0.21	5.81	6.02	0.21	9.13	9.34
JUL'14	0.00	2.88	0.14	5.96	6.10	0.14	8.84	8.98
TOTALS	3.99	41.88	1.03	61.21	62.24	5.02	103.09	108.11

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
JUL'13	14.20	13.86	0.34	2.39%
AUG'13	13.26	12.85	0.41	3.09%
SEP'13	11.16	10.99	0.17	1.52%
OCT'13	10.86	10.69	0.17	1.57%
NOV'13	11.58	10.83	0.75	6.48%
DEC'13	6.75	7.29	- .54	-8.00%
JAN'14	7.44	7.37	0.07	0.94%
FEB'14	6.37	6.23	0.14	2.20%
MAR'14	6.90	6.88	0.02	0.29%
APR'14	8.32	8.23	0.09	1.08%
MAY'14	8.46	8.43	0.03	0.35%
JUN'14	9.52	9.34	0.18	1.89%
JUL'14	9.13	8.98	0.15	1.64%
TOTALS	109.75	108.11	1.64	1.49%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of July 2014

----- 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
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JUL'13	0.00	0.00	10.28	19.46	11.12	114.63	0.04	0.38	0.00	155.91	153.49

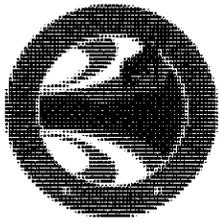
AUG'13	0.00	0.00	3.08	11.83	9.31	98.37	3.03	0.00	0.00	125.62	123.17
SEP'13	0.00	0.00	0.00	7.60	9.42	95.61	4.33	0.34	0.00	117.30	116.38
OCT'13	0.00	0.00	0.09	12.89	10.69	113.95	4.64	0.01	0.00	142.27	137.93
NOV'13	0.00	0.00	0.22	10.85	9.41	93.97	4.29	0.00	0.00	118.74	113.46
DEC'13	0.00	0.00	15.89	5.63	9.26	59.13	2.32	0.41	0.00	92.64	89.16
JAN'14	0.00	0.00	53.25	6.89	10.82	29.03	3.24	0.02	0.00	103.25	99.13
FEB'14	0.00	0.00	45.47	6.06	9.34	29.74	3.26	0.00	0.00	93.87	90.06
MAR'14	0.00	0.00	42.13	6.11	8.97	33.10	3.12	0.03	0.00	93.46	89.53
APR'14	0.00	0.00	52.05	10.17	10.42	47.59	4.20	0.00	0.00	124.43	118.08
MAY'14	0.00	0.00	43.37	10.03	8.83	50.44	3.64	0.00	0.00	116.31	111.16
JUN'14	0.00	0.00	46.08	10.57	9.43	54.04	3.64	0.00	0.00	123.76	121.42
JUL'14	0.00	0.00	49.84	11.88	10.39	64.30	4.96	0.08	0.00	141.45	138.73

TOTALS	0.00	0.00	351.47	110.51	116.29	769.27	44.67	0.89	0.00	1393.10	1348.21
=====											

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
=====	=====	=====	=====	=====	=====
JUL'13	155.91	130.36	25.55	16.39%	2.42

AUG'13	125.62	111.52	14.10	11.22%	2.45
SEP'13	117.30	98.81	18.49	15.76%	0.92
OCT'13	142.27	121.07	21.20	14.90%	4.34
NOV'13	118.74	105.01	13.73	11.56%	5.28
DEC'13	92.64	86.61	6.03	6.51%	3.48
JAN'14	103.25	92.56	10.69	10.35%	4.12
FEB'14	93.87	83.61	10.26	10.93%	3.81
MAR'14	93.46	82.69	10.77	11.52%	3.93
APR'14	124.43	111.55	12.88	10.35%	6.35
MAY'14	116.31	103.68	12.63	10.86%	5.15
JUN'14	123.76	109.74	14.02	11.33%	2.34
JUL'14	141.45	121.93	19.52	13.80%	2.72

TOTALS	1393.10	1228.78	164.32	11.80%	44.89
=====					



BORREGO WATER DISTRICT

August 2014

WATER OPERATIONS REPORT

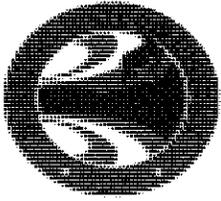
WELL	TYPE	FLOW RATE	STATUS	COMMENT
ID1-1	Irrigation	150	Standby	SOLD
ID1-2	Irrigation	150	Standby	SOLD
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	950	In Use	
ID1-16	Production	850	In Use	
Wilcox	Production	150	In Use	Diesel backup well for ID-4
ID4-4	Production	350	In 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: All Production Wells and reservoirs are in operating condition.

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: 57,766 (gallons per day)
Peak flow: 93,584 gpd Sunday August 3, 2014



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

August 2014

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
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
May-13	22.86	11.86	118.08	5.37	158.17
Jun-13	26.59	12.71	133.18	2.86	175.34
Jul-13	27.81	14.19	153.49	2.42	197.91
Aug-13	27.96	13.26	123.17	2.45	166.84
Sep-13	30.51	11.16	117.30	0.92	159.89
Oct-13	29.63	10.86	137.93	4.34	182.76
Nov-13	21.45	11.58	113.46	5.28	151.77
Dec-13	16.85	6.75	89.16	3.48	116.24
Jan-14	12.51	7.44	99.13	4.12	123.20
Feb-14	20.59	6.37	90.06	3.81	120.83
Mar-14	34.62	6.90	89.53	3.93	134.98
Apr-14	29.52	8.32	118.08	6.35	162.27
May-14	72.93	8.46	111.16	5.15	197.70
Jun-14	87.66	9.52	121.42	2.34	220.94
Jul-14	132.29	9.13	138.73	2.72	282.87
Aug-14	132.62	9.72	112.59	2.17	257.10
12 Mo. TOTAL	621.18	106.21	1338.55	44.61	2110.55

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
Aug-14	1.04	3.50	10.48	N/A	5.01
12 Mo. Average	2.69	1.48	11.74	N/A	5.30

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 1
 Month of August 2014

----- Water Production (Acre Feet) -----									
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Wells 1&2	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
AUG'13	0.00	0.00	0.08	13.53	27.61	0.00	0.00	41.22	27.96
SEP'13	0.00	0.00	1.00	10.35	30.32	0.00	0.00	41.67	30.51
OCT'13	0.00	0.00	0.06	11.21	29.22	0.00	0.00	40.49	29.63
NOV'13	0.00	0.00	0.00	11.99	21.04	0.00	0.00	33.03	21.45
DEC'13	0.00	0.00	0.94	7.26	15.40	0.00	0.00	23.60	16.85
JAN'14	0.00	0.00	0.00	0.09	19.86	0.00	0.00	19.95	12.51
FEB'14	0.00	0.00	0.20	8.03	18.73	0.00	0.00	26.96	20.59
MAR'14	5.35	6.74	0.00	27.26	17.92	0.00	12.09	45.18	50.37
APR'14	0.00	0.00	0.07	32.69	31.33	0.00	0.00	64.09	55.77
MAY'14	24.66	25.30	1.52	27.76	43.65	0.00	49.96	72.93	114.43
JUN'14	15.43	13.90	0.04	24.42	63.20	0.00	29.33	87.66	107.47
JUL'14	18.94	13.16	0.03	39.19	70.10	0.00	32.10	109.32	132.29
AUG'14	23.93	7.56	0.61	27.67	59.88	22.69	31.49	110.85	132.62
TOTALS	88.31	66.66	4.47	227.92	420.65	22.69	154.97	675.73	724.49
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

----- Water Use (Acre Feet) -----										
Date	Domestic	Irrigat'n	Constrt'n	Golf Course	Golf Spare Cap	ID 3	ID 4	Total	Water Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
AUG'13	11.21	18.22	0.00	0.00	0.00	13.26	0.00	42.69	-1.47	-3.57%
SEP'13	10.19	18.81	0.00	0.00	0.00	11.16	0.00	40.16	1.51	3.62%
OCT'13	11.12	13.31	0.06	0.00	0.00	10.86	0.00	35.35	5.14	12.68%
NOV'13	9.63	10.24	0.00	0.00	0.00	11.58	0.00	31.45	1.58	4.79%
DEC'13	8.10	7.67	0.00	0.00	0.00	6.75	0.00	22.52	1.08	4.59%
JAN'14	8.40	8.29	0.00	0.00	0.00	7.44	0.00	24.13	-4.18	-20.89%
FEB'14	6.66	5.11	0.00	0.00	6.00	6.37	0.00	24.14	2.82	10.45%
MAR'14	6.88	4.98	1.88	3.62	15.75	6.90	0.00	40.01	5.17	11.43%
APR'14	9.20	8.32	1.90	6.96	26.25	8.32	0.00	60.95	3.14	4.90%
MAY'14	8.85	8.90	0.19	10.21	37.71	8.46	0.00	74.32	-1.39	-1.90%
JUN'14	10.03	12.25	0.00	4.32	50.52	9.52	0.00	86.64	1.02	1.17%
JUL'14	11.26	16.13	0.62	12.03	58.98	9.13	0.00	108.15	1.17	1.06%
AUG'14	13.28	17.82	0.41	0.00	68.48	9.72	0.00	109.71	1.14	1.04%
TOTALS	113.60	131.83	5.06	37.14	263.69	106.21	0.00	657.53	18.20	2.69%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 3
 Month of August 2014

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			
AUG'13	1.10	5.74	0.03	5.98	6.01	1.13	11.72	12.85
SEP'13	0.93	4.67	0.03	5.36	5.39	0.96	10.03	10.99
OCT'13	1.17	4.50	0.06	4.96	5.02	1.23	9.46	10.69
NOV'13	0.59	3.28	0.12	6.84	6.96	0.71	10.12	10.83
DEC'13	0.20	3.22	0.10	3.77	3.87	0.30	6.99	7.29
JAN'14	0.00	2.60	0.12	4.65	4.77	0.12	7.25	7.37
FEB'14	0.00	2.04	0.04	4.15	4.19	0.04	6.19	6.23
MAR'14	0.00	3.02	0.08	3.78	3.86	0.08	6.80	6.88
APR'14	0.00	3.37	0.06	4.80	4.86	0.06	8.17	8.23
MAY'14	0.00	3.24	0.04	5.15	5.19	0.04	8.39	8.43
JUN'14	0.00	3.32	0.21	5.81	6.02	0.21	9.13	9.34
JUL'14	0.00	2.88	0.14	5.96	6.10	0.14	8.84	8.98
AUG'14	0.00	3.30	0.17	5.91	6.08	0.17	9.21	9.38
TOTALS	2.89	39.44	1.17	61.14	62.31	4.06	100.58	104.64

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
AUG'13	13.26	12.85	0.41	3.09%
SEP'13	11.16	10.99	0.17	1.52%
OCT'13	10.86	10.69	0.17	1.57%
NOV'13	11.58	10.83	0.75	6.48%
DEC'13	6.75	7.29	- .54	-8.00%
JAN'14	7.44	7.37	0.07	0.94%
FEB'14	6.37	6.23	0.14	2.20%
MAR'14	6.90	6.88	0.02	0.29%
APR'14	8.32	8.23	0.09	1.08%
MAY'14	8.46	8.43	0.03	0.35%
JUN'14	9.52	9.34	0.18	1.89%
JUL'14	9.13	8.98	0.15	1.64%
AUG'14	9.72	9.38	0.34	3.50%
TOTALS	106.21	104.64	1.57	1.48%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of August 2014

----- 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
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
AUG'13	0.00	0.00	3.08	11.83	9.31	98.37	3.03	0.00	0.00	125.62	123.17
SEP'13	0.00	0.00	0.00	7.60	9.42	95.61	4.33	0.34	0.00	117.30	116.38
OCT'13	0.00	0.00	0.09	12.89	10.69	113.95	4.64	0.01	0.00	142.27	137.93
NOV'13	0.00	0.00	0.22	10.85	9.41	93.97	4.29	0.00	0.00	118.74	113.46
DEC'13	0.00	0.00	15.89	5.63	9.26	59.13	2.32	0.41	0.00	92.64	89.16
JAN'14	0.00	0.00	53.25	6.89	10.82	29.03	3.24	0.02	0.00	103.25	99.13
FEB'14	0.00	0.00	45.47	6.06	9.34	29.74	3.26	0.00	0.00	93.87	90.06
MAR'14	0.00	0.00	42.13	6.11	8.97	33.10	3.12	0.03	0.00	93.46	89.53
APR'14	0.00	0.00	52.05	10.17	10.42	47.59	4.20	0.00	0.00	124.43	118.08
MAY'14	0.00	0.00	43.37	10.03	8.83	50.44	3.64	0.00	0.00	116.31	111.16
JUN'14	0.00	0.00	46.08	10.57	9.43	54.04	3.64	0.00	0.00	123.76	121.42
JUL'14	0.00	0.00	49.84	11.88	10.39	64.30	4.96	0.08	0.00	141.45	138.73
AUG'14	0.00	0.00	31.96	8.53	8.86	61.91	3.50	0.00	0.00	114.76	112.59
TOTALS	0.00	0.00	380.35	107.21	115.84	732.81	45.14	0.89	0.00	1382.24	1337.63
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
=====	=====	=====	=====	=====	=====
AUG'13	125.62	111.52	14.10	11.22%	2.45
SEP'13	117.30	98.81	18.49	15.76%	0.92
OCT'13	142.27	121.07	21.20	14.90%	4.34
NOV'13	118.74	105.01	13.73	11.56%	5.28
DEC'13	92.64	86.61	6.03	6.51%	3.48
JAN'14	103.25	92.56	10.69	10.35%	4.12
FEB'14	93.87	83.61	10.26	10.93%	3.81
MAR'14	93.46	82.69	10.77	11.52%	3.93
APR'14	124.43	111.55	12.88	10.35%	6.35
MAY'14	116.31	103.68	12.63	10.86%	5.15
JUN'14	123.76	109.74	14.02	11.33%	2.34
JUL'14	141.45	121.93	19.52	13.80%	2.72
AUG'14	114.76	102.73	12.03	10.48%	2.17
TOTALS	1382.24	1219.99	162.25	11.74%	44.61
=====	=====	=====	=====	=====	=====