

AGENDA
Borrego Water District Board of Directors
Regular Meeting
February 27, 2013 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda (1-2)
- E. Approval of Minutes
 - Special meeting of January 15, 2013 (3-4)
 - Regular meeting of January 23, 2013 (5-8)
 - Special meeting of January 30, 2013 (9)
- 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. Update on negotiations with Rams Hill (11-16)
- B. Discussion and possible approval of New Development Policy (17-47)
- C. Discussion of Town Hall meeting (48-54)
- D. Discussion and possible approval of FY 2013-2015 Audit Agreement (55-58)
- E. Consideration of approval of sewer transfer from Palm Canyon Properties to Borrego Water District (59)
- F. Consideration of approval of sewer transfer from Anza Borrego Properties LLC to Borrego Water District

III.

- A. Financial Reports – January 2013 (62-77)
- B. Manager / Operations Report (78-101)
- C. Water and Wastewater Operations Report – January 2013 (102)
- D. Water Production/Use Records – January 2013 (103-106)

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. Negotiating (Rams Hill) | (Estep, M. Brecht) |
| 8. New Development Committee | (Estep, L. Brecht) |
| 9. Asset Ad Hoc Committee | (Hart, M. Brecht) |

VI. INFORMATION ITEMS

VII. CLOSING PROCEDURE

The next Special Meeting of the Board of Directors is scheduled for March 19, 2013 at the Borrego Water District.
The next Regular Meeting of the Board of Directors is scheduled for March 27, 2013 at the Borrego Water District.

Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Tuesday, January 15, 2013
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order: President Hart called the meeting to order at 9:00 a.m.
- B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.
- C. Roll Call: Directors: Present: President Hart, Secretary/
 Treasurer Marshal Brecht, Delahay, Estep
 Absent: Vice-President Lyle Brecht
- Staff: Jerry Rolwing, General Manager
 Lisa Foster, McDougal Love Eckis Boehmer & Foley (via
 teleconference, Item III)
 Wendy Quinn, Recording Secretary
- Public: Doug Wilson, Mesquite Trails Jim Engelke
- D. Approval of Agenda: *MSC: Estep/Delahay approving the Agenda as written.*
- E. Comments from Directors and Requests for Future Agenda Items: None
- F. Comments from the Public and Requests for Future Agenda Items: None

II. CURRENT BUSINESS MATTERS

A. Discussion of DRAFT Water Credit Policy revisions: Jerry Rolwing announced that he had incorporated the comments from the last meeting into the draft Water Credit Policy and discussed it with David Dale and Lisa Foster. President Hart questioned the reference to the District Engineer, a function previously performed by the General Manager and now by a consultant. The Board agreed to substitute "General Manager," with the understanding that Mr. Rolwing would consult Mr. Dale if necessary.

Discussion followed concerning the fees outlined on Board package pages 8 and 9 (\$1,000 for certification and administration, \$100 for each water credit and \$500 for a transfer certificate). The Board agreed to term the \$1,000 a deposit, subject to a verifiable record of expenses; delete the \$100 and retain the \$500.

Some questions arose relative to the various water credit types, whether some could be consolidated or eliminated and whether the designations should be changed to more clearly reflect the nature of the credit (rather than "AG-1," for example). Mr. Rolwing agreed to discuss the issues with County staff member Jim Bennett.

Director Marshal Brecht suggested sections 2.B and C be changed to designate an applicant and application as applying to two or more water credits, rather than one, to be consistent with the consumptive water use of ten acre feet per year designated for eligible land in section 4.A.

President Hart proposed changes in the wording of several sections and submitted her notes to Mr. Rolwing for incorporation.

B. Discussion of DRAFT New Development Policy: Mr. Rolwing explained that he had revised the draft New Development Policy to clarify its application to single family homes and incorporate other comments from the last meeting. Ms. Foster confirmed that the language in section 6(b) indicating the water capacity fees are assessed to recover a proportional share of the capital costs already incurred is acceptable. Section 12, regarding "dry tap" changes, was removed. Mr. Rolwing suggested that the Board adopt the Policy on February 27, making it effective on May 27. President Hart proposed changes in the wording of several sections and submitted her notes to Mr. Rolwing for incorporation.

C. Discussion of New Development Fees: Mr. Rolwing invited the Board's attention to Board package pages 28 through 35, which explained how he arrived at the proposed new development fees. Discussion followed regarding Board package page 30, Water Credit Policy, and the need to clarify that instead of 2:1 mitigation we now have two 1:1 requirements, one for the County and one for BWD.

Mr. Rolwing reported that Supervisor Jacob had asked her staff to look into our overdraft, and he had offered input. President Hart commended Mr. Rolwing on his working relationship with Jim Bennett of the County Department of Planning and Development Services. Jim Engelke suggested that he also communicate with the new Department Director, Mr. Wardlaw.

D. Discussion of potential agenda items for January 23rd board meeting: Director Delahay reported that during his representation of BWD at the weekly farmers' market, customers have been commenting on Casey Jones' recent article on the Bureau of Reclamation presentation regarding a possible importation pipeline. There have also been questions relative to meter installation.

Items for the next Agenda will include selection of Board officers and auditors, review of the revised draft New Development Policy, and suggestions for the Strategic Planning Committee to consider in planning for the next Town Hall Meeting.

III. CLOSED SESSION

A. Conference with Legal Counsel - Anticipated Litigation/Significant Exposure to Litigation Govt. Code section 54956.9(b) One case: The Board adjourned to closed session at 11:00 a.m., and the open session reconvened at 11:45 a.m. There was no reportable action.

IV. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting was adjourned at 11:45 a.m. The next Regular Meeting of the Board of Directors is scheduled for January 23, 2013 at the Borrego Water District.

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, January 23, 2013
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

- A. Call to Order:** President Hart called the meeting to order at 9:00 a.m.
- B. Pledge of Allegiance:** Those present stood for the Pledge of Allegiance.
- C. Roll Call:** **Directors:** **Present:** President Hart, Vice-President Lyle Brecht, Secretary/Treasurer Marshal Brecht, Delahay, Estep (arrived at 9:50 a.m.)
- Staff:** Jerry Rolwing, General Manager
 Greg Holloway, Operations Manager
 Kim Pitman, Administration Manager
 Diana Del Bono, Administrative Assistant
 Wendy Quinn, Recording Secretary
- Public:** Jim Engelke Casey Jones, *Borrego Sun*

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

E. Approval of Minutes:
 Special meeting of December 11, 2012

Director Lyle Brecht made the following corrections: Replace all references to the USGS study with the Borrego Springs Pipeline Feasibility Study of February 2012; delete the last portion of the last sentence in the first paragraph of Item II.A, following the word "simultaneously"; amend the second to the last sentence in the third paragraph of Item II.A by adding the words "in the future" at the end; amend the last sentence in the third paragraph of Item II.A to read in part, ". . . federal funding may be ~~is~~-available . . . "; and amend the last sentence on page 1 to read in part, ". . . the viability of a water importation pipeline." ***MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of December 11, 2012 as corrected.***

 Regular meeting of December 12, 2012

MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of December 12, 2012 as corrected (amend Item I.H, first sentence, to read in part, ". . . IRWM planning grant application, round 2, . . .")

 Special meeting of December 19, 2012

MSC: L.Brecht/M.Brecht approving the Minutes of the Special Meeting of December 19, 2012 as written.

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: **Letter from R. Gage:** Jerry Rolwing reported that Rusty Gage had incurred expenses for plumbing repairs allegedly due to increased water pressure during repairs to Wells 5 and 11 and was requesting reimbursement from the District. Mr. Rolwing invited his attention to the water service agreement that Mr. Gage signed, stating the customer will install and maintain a pressure regulator. Any plumbing repairs on the customer's side of the water meter are the responsibility of the customer unless there are special circumstances.

I. Staff Reports:

A. Financial Reports - December 2012: Kim Pitman invited the Board's attention to construction deposit refunds reflected on Board package page 16. Mr. Rolwing explained that the District requires a deposit from subdivision developers for engineering costs, but if the development does not materialize the money is refunded. In response to Director Marshal Brecht's inquiry about inventory, Greg Holloway explained that prices continue to rise, and government regulations now prohibit the use of lead in fittings, making them more expensive and less durable. AWWA and ACWA are lobbying to change this.

B. Manager/Operations Report: Mr. Rolwing invited the Board's attention to his written report. Director Lyle Brecht asked if he had talked to USDA regarding our cash flow, and Mr. Rolwing agreed to contact them. Mr. Rolwing noted that he had spoken to Dennis Ciocca, who informed him that the State might reconsider an I-Bank loan for the District. Director Marshal Brecht suggested he also ask Mr. Ciocca about a possible refinance of our bonds.

Discussion followed regarding cooperation between BWD and the Community Sponsor Group regarding the County Groundwater Amendment and MOA, BWD's New Development Policy and reduction of farm land.

Mr. Holloway reported that the work on Well 11 is complete and the well should be back on line in the next couple of weeks. Work is continuing on the Wilcox Well.

Mr. Holloway explained problems in ID 5 with water pressure. When BWD merged with the Community Services District, we installed our own pressure regulator, but residents were not required to install their own as others in the District are. Forms will be distributed soon outlining the District's rules and regulations and residents will be asked to sign and return them. Mr. Rolwing noted he would also like to have a backup for the District's pressure regulator, and President Hart asked Mr. Holloway and him to investigate. They will work with David Dale and the Operations and Management Committee.

Director Estep arrived at 9:50 a.m.

J. Attorney's Report: None

II. CURRENT BUSINESS MATTERS

A. Selection of Board officers: *MSC: Estep/Delahay reelecting the current Board officers for another two-year term.*

B. Discussion of DRAFT New Development Policy: Mr. Rolwing reported that the suggestions from the last meeting had been incorporated into the latest draft of the New Development Policy. The Board will be asked to adopt it on February 27, and upon adoption it would become effective May 27.

Copies of the latest draft of the Water Credit Policy were distributed to the Board for discussion at the next meeting. President Hart asked Mr. Holloway to review and comment on both Policies.

C. Discussion and possible approval of an Agreement Concerning the Use of Developer Funds: President Hart explained that Lisa Foster had drafted the proposed agreement to enable developer Bill Berkley to submit funds to the District for expenses associated with the provision of water to the Rams Hill Golf Course. *MSC: Estep/L.Brecht approving the agreement and requesting that it be submitted to Mr. Berkley. If Mr. Berkley fails to approve it, the matter will be referred back to the Negotiating Committee.* Director Lyle Brecht pointed out that the "\$35,000 deposit" provided at the top of Board package page 57 should be \$35,000. He further suggested that the agreement specify that references to "consultants" are to the District's consultants.

D. Discussion of potential auditors for FYE 2014: Ms. Pitman reported that staff had contacted five other small districts and spoken to their auditors. The auditors all submitted proposals, as did our current auditor. Prices ranged from \$14,400 to \$28,000, ours being the highest. Director Marshal Brecht interviewed them and recommended Hosaka Rotherham & Company, which has been auditing Ramona Water District for ten years and also serves eleven other small water districts. The Audit Committee was requested to prepare a proposed agreement with the firm for the Board's consideration at its next meeting.

E. Setting meeting dates for discussion of annual Town Hall meeting: Mr. Rolwing reported that the Town Hall Meeting had been tentatively scheduled for March 27. A Strategic Planning Committee meeting was scheduled for February 13 at 9:00 a.m. to begin planning for it.

III. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Discussed earlier in this meeting.

2. Due-Diligence

No report.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee was continuing discussion of the IRWM process and potential grants, as well as the New Development and Water Credit Policies.

4. Executive Committee

No report.

5. Operations & Management Committee

Mr. Holloway announced he would be scheduling a Committee meeting soon. Director Lyle Brecht suggested that the Committee provide input to the Audit Committee regarding next year's O&M budget. The Audit Committee can then present a proposed budget to the Board for consideration.

6. Parks Committee

No report.

7. Negotiating (Rams Hill)

No report.

8. New Development Committee

Discussed earlier in this meeting.

9. Asset Ad Hoc Committee

Director Lyle Brecht requested a written report on the sale of the antenna site. Who paid and how much?

IV. STAFF REPORTS

A. Water and Wastewater Operations Report - December 2012:

B. Water Production/Use Records - December 2012:

C. Year to Date Meter Installations:

D. Meter Installation History:

In response to Director Estep's inquiry regarding the status of Bob Moore's Club Circle Golf Course groundskeeper contract in light of the Camerons' listing of the property for sale, President Hart understood there was a successor assign clause. Mr. Rolwing will provide her and Director Estep with copies.

Mr. Holloway reported that a BWD employee had obtained his wastewater Grade 2 certification and will eventually be operating the treating plant.

V. INFORMATION ITEMS

None

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:50 a.m. The next Special Meeting of the Board of Directors is scheduled for February 19, 2013 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for February 27, 2013 at the Borrego Water District.

**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Wednesday, January 30, 2013
8:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

- A. Call to Order: President Hart called the meeting to order at 8:00 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
 Lisa Foster, McDougal Love Eckis Boehmer & Foley (via teleconference, Item II.A)
 Wendy Quinn, Recording Secretary

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

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

II. CLOSED SESSION

A. Conference with Legal Counsel - Anticipated Litigation/Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Government Code section 54956.9 (One case): The Board adjourned to closed session at 8:05 a.m., and the public session reconvened at 8:45 a.m. There was no reportable action.

IV. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting was adjourned at 8:45 a.m. The next Special Meeting of the Board of Directors is scheduled for February 19, 2013 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for February 27, 2013 at the Borrego Water District.

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**AGREEMENT REGARDING THE USE OF DEVELOPER FUNDS FOR LEGAL AND
TECHNICAL RESEARCH ASSOCIATED WITH DEVELOPING A WATER SUPPLY
FOR THE RAM'S HILL GOLF COURSE**

This Agreement is made and entered into as of the ___ day of ___, 2013, by and between the Borrego Water District ("District") and _____ ("Developer"). The parties hereto are collectively referred to as the "Parties").

RECITALS

- A. Developer is in the process of purchasing property in Borrego Springs which includes the Ram's Hill Golf Course ("Golf Course"). The Golf Course is currently closed and is not being irrigated. Developer is interested in finding a cost effective water supply for the Golf Course that would allow the Golf Course to be reopened for business; and
- B. Reopening of the Golf Course would be highly beneficial for the Developer, District and residents of Borrego Springs, as this would likely result in the creation of new jobs, improved property values, increased tourism, and new home construction, all of which would contribute to the improvement of the economy in the area, and
- C. Certain legal and technical issues related to the Golf Course water supply need to be investigated in order to identify a cost effective water supply for the Golf Course, and the investigation of these issues will require the use of professional consultants; and
- D. Developer and District have agreed that Developer will provide a \$35,000 deposit to the District to facilitate the hiring of legal and technical consultants to assist with the investigation of these issues, and to ensure that public funds are not used for private benefit; and
- E. Developer and District desire to enter into this agreement, on the terms and provisions provided for below, the subject matter of which is to deal with the use and accounting of the Developer's deposit for the consultant services, and certain ancillary matters in relation to the foregoing.

AGREEMENT

1. Selection of Consultants. Developer acknowledges and agrees that there is a need to hire independent third party consultants to use their own professional judgment to conduct a review of the legal and technical issues associated with developing a cost effective water supply for the Golf Course, as described in more detail in **Attachment 1**. Developer acknowledges and agrees that District shall have and retain full rights to select the consultants and to supervise the work of the consultants. District shall monitor and control the costs incurred by, and time spent by, consultants so that unnecessary costs and time delays can be avoided.

2. Developer Participation. Developer shall be consulted regarding the tasks to be performed under this agreement, and the priority of the tasks to be performed. Developer shall also have a right to receive any reports or presentations provided by the District's consultants about the results of the research at the same time as the District, with the exception of any information that, in the opinion of the District's consultant, would compromise the security of the water system if released to the public.
3. Method of Payment. Developer shall deposit \$35,000 ("Deposit") with the District to cover the costs of the consultant work and attorneys fees for preparation of this agreement. District shall account for the Deposit in a separate general ledger account designated for the research associated with developing a cost effective water supply for the Golf Course ("Project") only and, unless otherwise agreed to in writing by Developer, will only use the Deposited monies to pay for the consultants to complete the Project work. If the District has depleted the Deposit, District shall immediately notify Developer of any additional funds necessary to complete the work. Further, when the District has depleted the Deposit in accordance with this Agreement, District may notify consultants that no further work should continue until Developer has deposited additional funds with the District. If Developer fails to deposit such additional funds with the District as requested, further work shall be suspended until Developer deposits the additional requested funds. Developer shall be responsible for all costs incurred by the District for the consultants' services up until the point that the District notifies the consultants to stop work on the Project or, if applicable, up to the day that Developer advises the District in writing that Developer wishes for the District to stop or suspend carrying out the work. If any portion of the Deposit or any additional funds deposited hereunder remain after the completion of the work or the stoppage of the work and full payment has been made to the consultants for any costs incurred, they shall be forthwith returned to Developer without interest.
4. Examination of Bills. District shall deliver an up-to-date accounting of the charges which have been deducted by the District from the Deposit, and the remaining balance of the Deposit, on a quarterly basis (an "Accounting"). Each Accounting will include, without limitation, sufficient detail to permit Developer to fully ascertain the nature of the charges which have been deducted by the District from the Deposit as of the date of the Accounting. However, in the event that the District requests additional funds to be provided by Developer pursuant to Section 2 above, in the event that the District or Developer causes the Consultant to stop or suspend performance of the work, or the Project itself is stopped or suspended, then (A) District shall deliver an Accounting to Developer within (ten) business days, and (B) if requested in writing by Developer, Developer shall have the right to examine, within ten (10) business days of Developer's written request (i) all invoices of the Project consultants, and the underlying time and billing records and (ii) all information and documentation in relation to the Deposit, including without limitation, bank statements.
5. Authority of District. District has the ultimate authority and responsibility to review the consultants' work prior to approval of any projects related to water supply for the Golf Course, however, District shall keep Developer informed of any issues or areas of concern that arise during the work, so that the process can continue in a timely manner. Nothing in

this Agreement is meant to be a guarantee, nor a contractual, legal or equitable obligation on the part of District to ensure, that any projects related to the water supply for the Golf Course will be approved by the District, or that the approval of other governmental entities with authority over the potential project(s) will be obtained. The District reserves the right to exercise its discretionary approval authority with regard to any proposed contractual arrangements or water supply projects related to the Golf Course. Further, nothing in this Agreement specifies or guarantees the timing of completion of the legal and technical investigation to be undertaken pursuant to this Agreement. Developer acknowledges and understands that the District has discretion to approve any contracts or projects related to provision of water to the Golf Course in accordance with pertinent laws and policies and may not enter into any agreement to obligate the District Board of Directors to exercise its discretion in a particular manner or for a particular result.

6. Indemnity. Developer agrees to defend, indemnify and hold harmless the District, its officers, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses in connection therein), arising out of District's performance of this Agreement, except for any such claims, demands, actions, losses, damages, injuries, and liability, direct or indirect, arising out of the sole negligence or willful misconduct of the District, its officers, agents, employees or volunteers.
7. No Inducement and Entire Agreement. Developer declares and represents that no promise, inducement or agreement not herein expressed has been made to it with respect to the subject matter of this Agreement, that this Agreement contains the complete and exclusive statement with respect to the subject matter hereof between Developer and District, and that the terms of this Agreement are contractual and not a mere recital. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, with respect to the subject matter of this Agreement are superseded in total by this Agreement. The recitals to this Agreement are incorporated into this Agreement by this reference thereto. This Agreement is entered into knowingly, freely, intelligently, and voluntarily by the parties, without any duress, or coercion. The parties have had a full opportunity to review and consider this Agreement prior to its execution. The parties fully acknowledge that they also have had a full opportunity to discuss the contents of this Agreement with their respective representatives.
8. Validity. If any provision of this Agreement, or part thereof, is held invalid, void or voidable as against the public policy or otherwise, the invalidity shall not affect other provisions or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions, and parts thereof, of this Agreement are declared to be severable.
9. Amendment. This Agreement may be modified or amended only by a written document executed by both Developer and District and approved as to form by the District General Counsel.
10. Waiver. No failure on the part of either party to exercise any right or remedy hereunder

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

BORREGO WATER DISTRICT:

DEVELOPER:

Beth Hart, President

APPROVED AS TO FORM:

Lisa Foster, General Counsel

ATTACHMENT 1: LEGAL AND TECHNICAL ISSUES TO BE RESEARCHED IN ACCORDANCE WITH AGREEMENT BETWEEN DISTRICT AND DEVELOPER FOR USE OF DEVELOPER FUNDS INCLUDES THE ITEMS BELOW:

Engineering and legal feasibility of the proposed Cocopah Well Solution, including legality of wheeling water from the well

Legality of District and Developer sharing ownership of a well (Well ID1-12) and associated potable pipeline

Legality of selling Wells ID1-1 and ID1-2, and possibly ID1-8, and allowing the owner to pump water from one parcel to another

Determination of value of Wells ID-1, 2, 8 and 12

Engineering study on water supplies for Well ID1-12

Engineering Study for Center Pivot Well

Rate study on availability fees for golf course parcels

Other issues as they arise

POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS

January 24, 2013 revised February 22, 2013

This Policy outlines the procedures and obligations for developers, contractors, and owners (hereinafter "developers") to obtain water and sewer service from the Borrego Water District (hereinafter "District") to serve a new development and establish the fees, exactions, and charges for the new development. The Policy also applies to new construction of residential homes on existing platted lots within the District. The term "new development" is defined as any residential or commercial development or service requirement that increases the demand on the District's water supply and/or distribution system and/or its sewer collection and treatment system whether by increasing the intensity of use or by altering the use of land.

1. Application of Policy

This Policy governs the procedures for the District to handle requests for a commitment for water and sewer service for new developments and sets forth the obligations of the developer to obtain a commitment for water and sewer service. When a developer requests a commitment for water and sewer service for a larger new development, for example, a "major subdivision," as defined in the San Diego County Code of Regulatory Ordinances at section 81.102(y) as "a subdivision creating five or more lots or units" that may substantially impact the District's existing water supply capacity and/or sewer treatment capacity or that may require major improvements to the District's water distribution system and/or to the District's sewer treatment plant or collection system, such requests shall be considered on a case-by-case basis. This Policy shall serve as a guideline for the consideration of the request for water and sewer service for a larger new development, but the District may modify or add to the provisions of this Policy in making its commitment for water and sewer service for a larger development.

2. Application for Water and Sewer Service

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

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

(c) When the Application requests water and sewer service for a larger new development, the developer shall pay an Application Fee as set by the District's Manager at the time the Application is submitted. The Application Fee shall cover the anticipated cost to the District of reviewing the project, obtaining any engineering report on the feasibility of the water and sewer service requested for the project and making a preliminary determination of the on-site

and off-site system improvements necessary to provide the water and sewer service requested. The Application Fee is non-refundable. The Application Fee shall be credited against the Administrative Fee set forth in Section 6(a) of this Policy.

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

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

(f) When the District has completed its review, the developer will be notified of the preliminary conclusions of the District as to the feasibility of the water and sewer service requested. The District may then issue a Water and Sewer Availability Letter to the developer. The Water and Sewer Availability Letter may be revoked unless the developer enters into a contract with the District and pays all fees assessed by the District within three hundred sixty (360) days of the date of the Water and Sewer Availability Letter.

3. Conditions on Availability of Water and Sewer Service

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

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

4. Water and Sewer Service Contract

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

(b) The District may incorporate in the water and sewer service contract the maximum amount of water that can be furnished and the maximum amount of wastewater that can be collected and treated by the District. In the event the developer's demand for water and sewer service exceeds the developer's projection of demand during the build out of the development, the District shall have no obligation to furnish water or provide wastewater

collection and treatment in excess of the amounts set forth in the water and sewer service contract. Any request for water and sewer service in excess of the amounts projected by the developer and included in the Water and Sewer Service Contract shall be treated as a new request for water and sewer service under this Policy.

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

5. Installation of Improvements

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

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

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

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

(e) **Final Acceptance.** When the water and sewer system improvements pass the District's final inspection, the District will accept ownership of the completed improvements. The developer shall be responsible for seeing that the person paying the cost of constructing such improvements shall furnish "as-built" drawings to the District at the end of each phase of water

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

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

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

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

6. Assessments and Collection of Fees and Charges:

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

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

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

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

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

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

7. **Approval of Final Plat**

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

8. **Easements**

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

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

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

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

9. Real Property Acquisition

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

10. Meters

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

(b) Each family residence or each duplex or other property shall be served with a separate water meter not smaller than ¾ inch in size, except where prior arrangements have been made with the District for apartment complexes, other types of multi-family dwellings, or businesses. In the event an existing water meter serves an apartment complex and/or other business property with units owned and/or occupied by more than one individual, firm, or corporation, the same shall be separated so as to have a meter for each ownership or occupant.

11. Permits

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

12. Resolution of Disputes

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

entered in any court having jurisdiction thereof. All water and sewer service contracts shall contain a dispute resolution clause which requires that any controversy or claim arising out of or relating to the Water and Sewer Service Contract, or the breach thereof, shall be settled using the process set forth in this Section12.

**DETAIL SHEET FOR PROPOSED CHARGES AND FEES FOR WATER AND SEWER
SERVICE TO DEVELOPMENT FOR FY 2013 & FY 2014
January 17, 2013**

Existing "New Water and Sewer Charges" in BWD Service Areas

Presently there are approximately 2,100 undeveloped lots that could be served with water service from existing infrastructure. Presently, certain areas of the District have been charged different amounts due to historical agreements as follows:

ID-1 (Rams Hill): The capacity fee has been paid and service laterals installed for new meters on the existing lots. Currently we charge \$640 for a 3/4" and \$735 for a 1" meter service. This covers a \$340 "turn-on" fee, the meter, meter box, customer shut off valve and the labor to install the new meter. One customer was granted a 2" residential meter by the Board in 1999 all other residential meters are either 3/4" or 1". New sewer connections are charged \$200 plus a \$50/EDU inspection fee. Monthly sewer fees are \$26.75.

ID-2: The Town Center Sewer serves the downtown area along Palm Canyon Drive from Palm Canyon Resort to the Elementary School. Also included is the La Casa del Zorro (aka Borrego Ranch) Resort. There are 1000 EDU's assigned to this system of which 316 are being used (user) and 773 are being held for future use (holder). The District has 226 EDU's available for sale at a price set by the Board of \$3,040. Holders may sell their EDU's at negotiated prices with willing buyers. The District occasionally surveys the holders to see if EDU's are available for private sales. "Holder" monthly fees \$19.42 and once they become also a "user", the fee increases by \$10. New connections are charged a \$712.80/EDU capacity fee and a \$50/EDU inspection fee. All sewer connections are performed at customer's expense by a District approved contractor. These fees are set by contract but can be adjusted to operating costs by a vote by all holders of EDU's.

ID-3 and 4 (Deep Well Trail and old Borrego Springs Water Company service area): Water mains in these areas are normally located in the shoulder of the road, in the right-of-way, yet off of the pavement. The new meter charge in these areas depends on the location of the new service to the existing water main. New meters located on the same side of the street as the water main require a "short lateral" and those across the street a "long lateral". Certain areas of the District where the water main is located in the paved street classify as a "long lateral". The maintenance crew utilizes a boring device called a "Grundomat" to feed the new service lateral under the pavement on long laterals which is more labor intensive but does not require re-paving after an installation. The current fees are \$4,040 for a 3/4" short lateral, \$4,165 for a 1" short lateral, \$5,440 for a 3/4" long lateral and \$5,565 for a 1" long lateral. The breakdown of these fees are \$2,530 connection fee, \$340 turn-on fee, either \$500 for short lateral or \$1,900 for a long lateral and either \$70 for a 3/4" customer shut-off valve or \$95 for a 1" customer shut-off valve. Customer shut-off valves are an important feature and we also provide them to existing customers for the cost of the part, no labor charge. The customer shut-off saves us money, and possibly the customer, in the long run. When not installed, the customer is tempted to turn-off the District angle meter stop (forbidden by the administration code) or contact the "duty

operator" to turn off and turn back on after plumbing/irrigation repairs are complete. If the angle meter stop is compromised, the water main has to be excavated and the customer can be charged for the repairs. After hours duty operator "call outs" are costly to the District in overtime expense. Many water Districts found cost savings by installing the customer shut-off valve free of charge but we found it more prudent to only charge for the part and install the valve free of charge.

ID-5: This area is the old Borrego Springs Park Community Services District area of Club Circle and the Borrego Springs Resort. As part of the consolidation agreement, we are required to charge \$3,500 each, for new service (water and sewer combined). One half of this money is returned to the developer, Cameron Brothers Construction Co. as per the agreement. The service laterals on Foresome Drive were installed with poly vinyl pipe which have proven to be substandard in our desert conditions. New service requires the removal of this pipe and replaced with copper service laterals which are charged on a "time and material" basis. All sewer connections are performed at customer's expense by a District approved contractor. Only one connection has been made since the consolidation of the two districts.

The monthly rates are listed as follows:

ID-1; \$26.75/mo. plus portion of \$66/parcel availability fee collected through the annual property taxes
Connection fee of \$200 plus \$50/EDU inspection fee

ID-2; \$19.42 (holder) plus \$10 (user) totaling \$29.42/mo.
Connection fee is \$712.80 per EDU plus \$50/EDU inspection fee

ID-5; \$49.92/mo.
Connection/capacity fee collected is \$3500, 1/2 is directed to the developer, Cameron Bros. Construction Co. and 1/2 to BWD per EDU. Meter installation is charged on "time and materials" only.

Both ID-2 and ID-5 require lifting the effluent from the newly built Lift Station (capital improvement of \$680K in 2011) on Borrego Valley Rd to the RMWWTP.

All of these sewer charges were developed based on developer "buy-in" or other such arrangement. For this reason, existing platted lots will continue with the above fee structure. The total number of existing platted lots involved should not require any further improvements to the existing infrastructure; however, this can be reviewed in subsequent years if needed. Any new development will be required to pay the new calculated sewer capacity fee of \$8,000 per EDU plus any additional new infrastructure required specifically for the new development which will be determined by the District Engineer.

A study is also eventually needed to evaluate at what point the RHWTP can generate reclaimed water supply and where the reclaimed water could be utilized if the Rams Hill Golf course is not in operation.

Historically, we have utilized the following calculations for EDU breakdowns.

Single Family Residence (SFR) =	1.0 EDU
Casitas/Guest House with SFR=	0.5 EDU
Mobile Home (in a park) =	0.5 EDU
Recreational Vehicle (in a park) =	0.25 EDU

These ratios were based on overall housing footprint (property size, human capacity, etc). A mobile (manufactured or modular) installed on a lot designed for a single family residence is considered a single family residence due to the lot size and potential of developing extensive landscaping. Units installed in a designated mobile home park are situated on small lots where the landscaping potential is significantly less. A "casitas" is a small single family residence less than 800 square feet, is a small development with common landscaping.

New commercial ~~and multiple unit~~ projects will need to be reviewed in a case-by-case basis. There are too many factors to apply a general fee schedule to these types of installation. Historically, an engineering deposit is required to recoup District funds expended. The amount of deposit will vary depending on the scope of the project but a minimum fee of \$2,500 would be appropriate.

Water Credit Policy

The Water Credit Policy was first established as a 3:1 groundwater mitigation in 2005. In 2007 the 3:1 was reduced to a 2:1 with the premise that one would satisfy the County of San Diego requirements and one for the Borrego Water District. The water credit policy for new development consists of two - 1:1 policies, one water credit to satisfy the County New Subdivision Policy and one credit to satisfy the Borrego Water District Demand Offset Mitigation Water Credit Policy. For existing platted lots in the area, only one water credit is required to fulfill the District's policy. For all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits. The Water Credit Policy will be administered as follows:

New Development requiring San Diego County approval:

1 Water Credit due with County discretionary permit process

1 Water Credit due when District signs "Required Agency Clearance Letter" for new home construction

2 Total Credits

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New Single Family Residence construction on existing lot:

1 Water Credit due when District signs "Required Agency Clearance Letter" for new home construction

1 Total Credit

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The Proposed Structure for New Development

Proposed New Water and Sewer Connection Fees for New Subdivisions:

The proposed "capacity fee" has been calculated by dividing the total water system asset \$11,041,479.26 (as of June 30, 2012), minus \$2,775,000 (existing infrastructure debt from the ID4 2008 Certificates of Participation) by the total existing water meters utilizing the American Water Works Association (AWWA) meter sizing factors (see Attachment A). This equates to \$1,841.17 but for simplicity, it would be appropriate to round that number to \$1,850/EDU.

Applying the same metering factor to new installations would result as follows.

3/4" meter	x 1.5 meter factor	= \$2,775
1" meter	x 2.5 meter factor	= \$4,625
1-1/2" meter	x 3.3 meter factor	= \$6,105
2" meter	x 5 meter factor	= \$9,250
3" meter	x 15 meter factor	= \$27,750
4" meter	x 32 meter factor	= \$59,200
6" meter	x 85 meter factor	= \$157,250

Using the same formula as water, dividing sewer assets (\$5,505,105.59) by existing EDU's (689) equates to \$7,989.99 or for our purposes, \$8,000/EDU. Any proposed development will have to complete an analysis of increased flow to the Ram Hill Wastewater Treatment Plant (RHWWTP) except the remaining undeveloped lots in the Rams Hill community who built the facility. Town Center Sewer EDU "holders" have also been worked into the RHWWTP expansion calculations through the costs outlined in the Town Center Sewer Agreement. Sewer customers in ID-5 are required to pay \$3,500 (combined water and sewer) 1/2 of this amount is for reimbursement to the Cameron Bros. Construction Co. per prior agreement. Unplatted lots (not a County approved buildable lot) in ID-5 will have to go through the permit process and associated engineering study for RMWWTP capacity issues.

Due to the number of historical agreements in the various service areas, it is proposed that new connections for existing platted lots in ID-1 be exempted from the new capacity fee. Existing lots in ID-1 have already been assessed capacity fees and the infrastructure for the new meter installations are in place. Existing lots in ID-5 will be required to pay the historical capacity fee of \$3,500(water and sewer combined) of which 1/2 will be paid to the Cameron Bros. as per the consolidation agreement. The existing infrastructure for the new meter installations that was installed by the developer does not meet the requirements of the District and therefore the will be charged the "actual installment costs" and in ID-3 and ID-4.

Subdivisions:

"Will Serve" Letter - first step in County permitting process	\$50/Letter
"Will Serve" Conditions Letter - outlining system requirements	\$2,500 engineering deposit
Engineering Plan Review	\$5,000 engineering deposit
Final Map:	Water Credit & Capacity
Fees	
One water credit per EDU	
Capacity fee of \$1,850/EDU plus times metering factor	

Commercial:

Case-by-case basis on fixture unit count and approved landscaping plan

Water Credits:

The water credit policy for new development consists of two - 1:1 policies, one water credit to satisfy the County New Subdivision Policy and one credit to satisfy the Borrego Water District Demand Offset Mitigation Water Credit Policy. For existing platted lots in the area, only one water credit is required to fulfill the District's policy. For all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits.

A list of approved water credits at time of policy adoption is included in attachment C.

Schedule of Proposed New Water and Sewer Installation Charges for a Single Family Residence for FY 2013 & FY 2014

New Water and Sewer Service on Existing Platted Lot in ID-1:

(Note: Sewer Fees not applicable to lots in the "Estates" Community where lots are on septic systems)

- One Water Credit
- Capacity fee and lateral installation pre-paid by developer
- Sewer Connection Fee \$200
- Sewer Inspection Fee \$50
- All sewer connections are performed at customer's expense by District approved contractor
- Connection Fee (actual installation costs from Attachment B)
 - 3/4" meter = \$205
 - 1" meter = \$340
- \$340 Administrative Fee

Total 3/4" Charge = \$795.00

Total 1" Charge= \$930.00

Larger meters will be reviewed on a case-by-case basis

New Sewer Service for "holders" of Town Center Sewer EDU's in ID-2:

- New service must be holder in good standing of ID-2 EDU's (contact District office for Town Center Sewer EDU information)
- Capacity Fee of \$712.80 per EDU
- Inspection Fee of \$50/EDU
- All sewer connections are performed at customer's expense by District approved contractor

Total Fees due District \$762.80/EDU

New Water Service on Existing Platted Lot in ID 3 or ID-4:

- One Water Credit
- Capacity fee (\$1,850) with metering factor:
 - 3/4" meter x 1.5 meter factor = \$2,775
 - 1" meter x 2.5 meter factor = \$4,625
- Connection Fee (actual installation costs from Attachment B)
 - Short lateral charge (parcel located on same side of street as the water main)
 - 3/4" meter service = \$2,401.05 or 1" meter service = \$2,495.10
 - Long lateral charge (parcel located on opposite side of street from water main)
 - 3/4" meter service = \$3,760.82 or 1" meter service = \$3,854.87
- Administrative Fee of \$340

Total 3/4" charge with short lateral: 2,775 + 2,401.05 + 340 = \$5,516.05

Total 3/4" charge with long lateral: 2,775 + 3,760.82 + 340 = \$6,875.82

Total 1" charge with short lateral: 4,625 + 2,495.10 + 340 = \$7,460.10

Total 1" charge with long lateral: 4,625 + 3,854.87 + 340 = \$8,819.87

Larger meters will be reviewed on a case-by-case basis

New Water and Sewer Service on Existing Platted Lot in ID-5:

- One Water Credit
- Capacity Fee of \$3,500 (water and sewer combined, existing agreement where 1/2 is paid to the developer)
- Sewer Inspection Fee of \$50
- Connection Fee (actual installation costs from Attachment B)
 - Long lateral charge (water mains in street)
 - 3/4" meter service = \$3,760.82 or 1" meter service = \$3,854.87
- \$340 Administrative Fee

Total 3/4" charge: 3,500 + 50 + 3,760.82 + 340 = \$7,650.82

Total 1" charge: 3,500 + 50 + 3,854.87 + 340 = \$7,744.87

Larger meters will be reviewed on a case-by-case basis

Policy: Who pays for growth?

Background: There are always discussions about responsibility for costs when a developer seeks to add an area of water and sewer service to a new development. As a general rule, the Borrego Water District (BWD) requires the development to pay its own way, desiring not to subsidize growth. This is only fair to existing customers. Sometimes, however, BWD desires to extend a water or sewer line at its own cost whenever the result will be an improvement to the system. Because these are differing directions, the differences can sometimes become blurred. BWD has attempted to resolve the issues with its developer policy. This policy will need to be reviewed from time to time to determine its applicability. What is needed for effective strategic planning is a statement of policy on the subject affirming the general direction.

Policy: It is the policy of the Borrego Water District (BWD) to encourage responsible growth by requiring new developers to install water and sewer connector lines at the developer's expense, in addition to the assessment of developer charges for each new connection to pay for any improvements required to the existing BWD system and the use of existing system capacity. Participation in costs by BWD will occur only when BWD is convinced such connector lines will add further benefit to the District.

NEW DEVELOPMENT POLICY FINAL VERSION

POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS

February 20, 2013

This Policy outlines the procedures and obligations for developers, contractors, and owners (hereinafter “developers”) to obtain water and sewer service from the Borrego Water District (hereinafter “District”) to serve a new development and establishes the fees, exactions, and charges for the new development. The Policy also applies to new construction of residential homes on existing platted lots within the District. The term “new development” is defined as any residential or commercial development or service requirement that increases the demand on the District’s water supply and/or distribution system and/or its sewer collection and treatment system whether by increasing the intensity of use or by altering the use of land.

1. Application of Policy

This Policy governs the procedures for the District to handle requests for a commitment for water and sewer service for new developments and sets forth the obligations of the developer to obtain a commitment for water and sewer service. When a developer requests a commitment for water and sewer service for a larger new development, for example, a “major subdivision,” as defined in the San Diego County Code of Regulatory Ordinances at section 81.102(y) as “a subdivision creating five or more lots or units” that may substantially impact the District’s existing water supply capacity and/or sewer treatment capacity or that may require major improvements to the District’s water distribution system and/or to the District’s sewer treatment plant or collection system, such requests shall be considered on a case-by-case basis. This Policy shall serve as a guideline for the consideration of the request for water and sewer service for a larger new development, but the District may modify or add to the provisions of this Policy in making its commitment for water and sewer service for a larger development.

2. Application for Water and Sewer Service

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

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

(c) When the Application requests water and sewer service for a larger new development, the developer shall pay an Application Fee as set by the District’s Manager at the time the Application is submitted. The Application Fee shall cover the anticipated cost to the District of reviewing the project, obtaining any engineering report on the feasibility of the water and sewer service requested for the project and making a preliminary determination of the on-site

and off-site system improvements necessary to provide the water and sewer service requested. The Application Fee is non-refundable. The Application Fee shall be credited against the Administrative Fee set forth in Section 6(a) of this Policy.

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

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

(f) When the District has completed its review, the developer will be notified of the preliminary conclusions of the District as to the feasibility of the water and sewer service requested. The District may then issue a Water and Sewer Availability Letter to the developer. The Water and Sewer Availability Letter may be revoked unless the developer enters into a contract with the District and pays all fees assessed by the District within three hundred sixty (360) days of the date of the Water and Sewer Availability Letter.

3. Conditions on Availability of Water and Sewer Service

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

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

4. Water and Sewer Service Contract

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

(b) The District may incorporate in the water and sewer service contract the maximum amount of water that can be furnished and the maximum amount of wastewater that can be collected and treated by the District. In the event the developer's demand for water and sewer service exceeds the developer's projection of demand during the build out of the development, the District shall have no obligation to furnish water or provide wastewater

collection and treatment in excess of the amounts set forth in the water and sewer service contract. Any request for water and sewer service in excess of the amounts projected by the developer and included in the Water and Sewer Service Contract shall be treated as a new request for water and sewer service under this Policy.

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

5. Installation of Improvements

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

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

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

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

(e) **Final Acceptance.** When the water and sewer system improvements pass the District's final inspection, the District will accept ownership of the completed improvements. The developer shall be responsible for seeing that the person paying the cost of constructing such improvements shall furnish "as-built" drawings to the District at the end of each phase of water

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

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

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

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

6. Assessments and Collection of Fees and Charges:

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

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

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

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

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

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

7. Approval of Final Plat

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

8. Easements

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

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

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

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

9. Real Property Acquisition

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

10. Meters

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

(b) Each family residence or each duplex or other property shall be served with a separate water meter not smaller than ¾ inch in size, except where prior arrangements have been made with the District for apartment complexes, other types of multi-family dwellings, or businesses. In the event an existing water meter serves an apartment complex and/or other business property with units owned and/or occupied by more than one individual, firm, or corporation, the same shall be separated so as to have a meter for each ownership or occupant.

11. Permits

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

12 Resolution of Disputes

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

contain a dispute resolution clause which requires that any controversy or claim arising out of or relating to the Water and Sewer Service Contract, or the breach thereof, shall be settled using the process set forth in this Section12.

DETAIL SHEET FOR PROPOSED CHARGES AND FEES FOR WATER AND SEWER SERVICE TO DEVELOPMENT FOR FY 2013 & FY 2014

Existing "New Water and Sewer Charges" in BWD Service Areas

Presently there are approximately 2,100 undeveloped lots that could be served with water service from existing infrastructure. Presently, certain areas of the District have been charged different amounts due to historical agreements as follows:

ID-1 (Rams Hill): The capacity fee has been paid and service laterals installed for new meters on the existing lots. Currently we charge \$640 for a 3/4" and \$735 for a 1" meter service. This covers a \$340 "turn-on" fee, the meter, meter box, customer shut off valve and the labor to install the new meter. One customer was granted a 2" residential meter by the Board in 1999 all other residential meters are either 3/4" or 1". New sewer connections are charged \$200 plus a \$50/EDU inspection fee. Monthly sewer fees are \$26.75.

ID-2: The Town Center Sewer serves the downtown area along Palm Canyon Drive from Palm Canyon Resort to the Elementary School. Also included is the La Casa del Zorro (aka Borrego Ranch) Resort. There are 1000 EDU's assigned to this system of which 316 are being used (user) and 773 are being held for future use (holder). The District has 226 EDU's available for sale at a price set by the Board of \$3,040. Holders may sell their EDU's at negotiated prices with willing buyers. The District occasionally surveys the holders to see if EDU's are available for private sales. "Holder" monthly fees \$19.42 and once they become also a "user", the fee increases by \$10. New connections are charged a \$712.80/EDU capacity fee and a \$50/EDU inspection fee. All sewer connections are performed at customer's expense by a District approved contractor. These fees are set by contract but can be adjusted to operating costs by a vote by all holders of EDU's.

ID-3 and 4 (Deep Well Trail and old Borrego Springs Water Company service area): Water mains in these areas are normally located in the shoulder of the road, in the right-of-way, yet off of the pavement. The new meter charge in these areas depends on the location of the new service to the existing water main. New meters located on the same side of the street as the water main require a "short lateral" and those across the street a "long lateral". Certain areas of the District where the water main is located in the paved street classify as a "long lateral". The maintenance crew utilizes a boring device to feed the new service lateral under the pavement on long laterals which is more labor intensive but does not require re-paving after an installation. The current fees are \$4,040 for a 3/4" short lateral, \$4,165 for a 1" short lateral, \$5,440 for a 3/4" long lateral and \$5,565 for a 1" long lateral. The breakdown of these fees are \$2,530 connection fee, \$340 turn-on fee, either \$500 for short lateral or \$1,900 for a long lateral and either \$70 for a 3/4" customer shut-off valve or \$95 for a 1" customer shut-off valve. Customer shut-off valves are an important feature and we also provide them to existing customers for the cost of the part, no labor charge. The customer shut-off saves us money, and possibly the customer, in the long run. When not installed, the customer is tempted to turn-off the District angle meter stop (forbidden by the administration code) or contact the "duty operator" to turn off and turn back on

after plumbing/irrigation repairs are complete. If the angle meter stop is compromised, the water main has to be excavated and the customer can be charged for the repairs. After hours duty operator "call outs" are costly to the District in overtime expense. Many water Districts found cost savings by installing the customer shut-off valve free of charge but we found it more prudent to only charge for the part and install the valve free of charge.

ID-5: This area is the old Borrego Springs Park Community Services District area of Club Circle and the Borrego Springs Resort. As part of the consolidation agreement, we are required to charge \$3,500 each, for new service (water and sewer combined). One half of this money is returned to the developer, Cameron Brothers Construction Co. as per the agreement. The service laterals on Foresome Drive were installed with poly vinyl pipe which have proven to be substandard in our desert conditions. New service requires the removal of this pipe and replaced with copper service laterals which are charged on a "time and material" basis. All sewer connections are performed at customer's expense by a District approved contractor. Only one connection has been made since the consolidation of the two districts.

The monthly rates are listed as follows:

ID-1; \$26.75/mo. plus portion of \$66/parcel availability fee collected through the annual property taxes
Connection fee of \$200 plus \$50/EDU inspection fee

ID-2; \$19.42 (holder) plus \$10 (user) totaling \$29.42/mo.
Connection fee is \$712.80 per EDU plus \$50/EDU inspection fee

ID-5; \$49.92/mo.
Connection/capacity fee collected is \$3500, 1/2 is directed to the developer, Cameron Bros. Construction Co. and 1/2 to BWD per EDU. Meter installation is charged on "time and materials" only.

Both ID-2 and ID-5 require lifting the effluent from the newly built Lift Station (capital improvement of \$680K in 2011) on Borrego Valley Rd to the RMWWTP.

All of these sewer charges were developed based on developer "buy-in" or other such arrangement. For this reason, existing platted lots will continue with the above fee structure. The total number of existing platted lots involved should not require any further improvements to the existing infrastructure; however, this can be reviewed in subsequent years if needed. Any new development will be required to pay the new calculated sewer capacity fee of \$8,000 per EDU plus any additional new infrastructure required specifically for the new development which will be determined by the District Engineer.

A study is also eventually needed to evaluate at what point the RHHWTP can generate reclaimed water supply and where the reclaimed water could be utilized if the Rams Hill Golf course is not in operation.

Historically, we have utilized the following calculations for EDU breakdowns.

Single Family Residence (SFR) =	1.0 EDU
Casitas/Guest House with SFR=	0.5 EDU
Mobile Home (in a park) =	0.5 EDU
Recreational Vehicle (in a park) =	0.25 EDU

These ratios were based on overall housing footprint (property size, human capacity, etc). A mobile (manufactured or modular) installed on a lot designed for a single family residence is considered a single family residence due to the lot size and potential of developing extensive landscaping. Units installed in a designated mobile home park are situated on small lots where the landscaping potential is significantly less. A "casitas" is a small single family residence less than 800 square feet, is a small development with common landscaping.

New commercial and multiple unit projects will need to be reviewed in a case-by-case basis. There are too many factors to apply a general fee schedule to these types of installation. Historically, an engineering deposit is required to recoup District funds expended. The amount of deposit will vary depending on the scope of the project but a minimum fee of \$2,500 would be appropriate.

Water Credit Policy

The Water Credit Policy was first established as a 3:1 groundwater mitigation in 2005. In 2007 the 3:1 was reduced to a 2:1 with the premise that one would satisfy the County of San Diego requirements and one for the Borrego Water District. The water credit policy for new development consists of two - 1:1 policies, one water credit to satisfy the County New Subdivision Policy and one credit to satisfy the Borrego Water District Demand Offset Mitigation Water Credit Policy. For existing platted lots in the area, only one water credit is required to fulfill the District's policy. For all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits. The Water Credit Policy will be administered as follows:

New Development requiring San Diego County approval:

- 1 Water Credit due with County discretionary permit process
- 1 Water Credit due when District signs "Required Agency Clearance Letter" for new home construction
- 2 Total Credits**

New Single Family Residence construction on existing lot:

- 1 Water Credit due when District signs "Required Agency Clearance Letter" for new home construction
- 1 Total Credit**

The Proposed Structure for New Development

Proposed New Water and Sewer Connection Fees for New Subdivisions:

The proposed "capacity fee" has been calculated by dividing the total water system asset \$11,041,479.26 (as of June 30, 2012), minus \$2,775,000 (existing infrastructure debt from the ID4 2008 Certificates of Participation) by the total existing water meters utilizing the American Water Works Association (AWWA) meter sizing factors (see Attachment A). This equates to \$1,841.17 but for simplicity, it would be appropriate to round that number to \$1,850/EDU.

Applying the same metering factor to new installations would result as follows:

3/4" meter	x 1.5 meter factor	= \$2,775
1" meter	x 2.5 meter factor	= \$4,625
1-1/2" meter	x 3.3 meter factor	= \$6,105
2" meter	x 5 meter factor	= \$9,250
3" meter	x 15 meter factor	= \$27,750
4" meter	x 32 meter factor	= \$59,200
6" meter	x 85 meter factor	= \$157,250

Using the same formula as water, dividing sewer assets (\$5,505,105.59) by existing EDU's (689) equates to \$7,989.99 or for our purposes, \$8,000/EDU. Any proposed development will have to complete an analysis of increased flow to the Ram Hill Wastewater Treatment Plant (RHWWTWP) except the remaining undeveloped lots in the Rams Hill community who built the facility. Town Center Sewer EDU "holders" have also been worked into the RHWWTWP expansion calculations through the costs outlined in the Town Center Sewer Agreement. Sewer customers in ID-5 are required to pay \$3,500 (combined water and sewer) 1/2 of this amount is for reimbursement to the Cameron Bros. Construction Co. per prior agreement. Unplatted lots (not a County approved buildable lot) in ID-5 will have to go through the permit process and associated engineering study for RMWWTP capacity issues.

Due to the number of historical agreements in the various service areas, it is proposed that new connections for existing platted lots in ID-1 be exempted from the new capacity fee. Existing lots in ID-1 have already been assessed capacity fees and the infrastructure for the new meter installations are in place. Existing lots in ID-5 will be required to pay the historical capacity fee of \$3,500(water and sewer combined) of which 1/2 will be paid to the Cameron Bros. as per the consolidation agreement. The existing infrastructure for the new meter installations that was installed by the developer does not meet the requirements of the District and therefore the will be charged the "actual installment costs" and in ID-3 and ID-4.

Subdivisions:

"Will Serve" Letter - first step in County permitting process	\$50/Letter
"Will Serve" Conditions Letter - outlining system requirements	\$2,500 engineering deposit
Engineering Plan Review	\$5,000 engineering deposit
Final Map	Water Credit & Capacity
Fees	
One water credit per EDU	
Capacity fee of \$1,850/EDU times metering factor	

Commercial:

Case-by-case basis on fixture unit count and approved landscaping plan

Water Credits:

The water credit policy for new development consists of two - 1:1 policies, one water credit to satisfy the County New Subdivision Policy and one credit to satisfy the Borrego Water District Demand Offset Mitigation Water Credit Policy. For existing platted lots in the area, only one water credit is required to fulfill the District's policy. For all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits.

A list of approved water credits at time of policy adoption is included in attachment C.

Schedule of Proposed New Water and Sewer Installation Charges for a Single Family Residence for FY 2013 & FY 2014

New Water and Sewer Service on Existing Platted Lot in ID-1:

(Note: Sewer Fees not applicable to lots in the "Estates" Community where lots are on septic systems)

- One Water Credit
- Capacity fee and lateral installation pre-paid by developer
- Sewer Connection Fee \$200
- Sewer Inspection Fee \$50
- All sewer connections are performed at customer's expense by District approved contractor
- Connection Fee (actual installation costs from Attachment B)
 - 3/4" meter = \$205
 - 1" meter = \$340
- \$340 Administrative Fee

Total 3/4" Charge = \$795.00

Total 1" Charge= \$930.00

Larger meters will be reviewed on a case-by-case basis

New Sewer Service for "holders" of Town Center Sewer EDU's in ID-2:

- New service must be holder in good standing of ID-2 EDU's (contact District office for Town Center Sewer EDU information)
- Capacity Fee of \$712.80 per EDU
- Inspection Fee of \$50/EDU
- All sewer connections are performed at customer's expense by District approved contractor

Total Fees due District \$762.80/EDU

New Water Service on Existing Platted Lot in ID 3 or ID-4:

- One Water Credit
- Capacity fee (\$1,850) with metering factor:
 - 3/4" meter x 1.5 meter factor = \$2,775
 - 1" meter x 2.5 meter factor = \$4,625
- Connection Fee (actual installation costs from Attachment B)
 - Short lateral charge (parcel located on same side of street as the water main)
 - 3/4" meter service = \$2,401.05 or 1" meter service = \$2,495.10
 - Long lateral charge (parcel located on opposite side of street from water main)
 - 3/4" meter service = \$3,760.82 or 1" meter service = \$3,854.87
- Administrative Fee of \$340

Total 3/4" charge with short lateral: 2,775 + 2,401.05 + 340 = \$5,516.05

Total 3/4" charge with long lateral: 2,775 + 3,760.82 + 340 = \$6,875.82

Total 1" charge with short lateral: 4,625 + 2,495.10 + 340 = \$7,460.10

Total 1" charge with long lateral: 4,625 + 3,854.87 + 340 = \$8,819.87

Larger meters will be reviewed on a case-by-case basis

New Water and Sewer Service on Existing Platted Lot in ID-5:

- One Water Credit
- Capacity Fee of \$3,500 (water and sewer combined, existing agreement where 1/2 is paid to the developer)
- Sewer Inspection Fee of \$50
- Connection Fee (actual installation costs from Attachment B)
 - Long lateral charge (water mains in street)
 - 3/4" meter service = \$3,760.82 or 1" meter service = \$3,854.87
- \$340 Administrative Fee

Total 3/4" charge: 3,500 + 50 + 3,760.82 + 340 = \$7,650.82

Total 1" charge: 3,500 + 50 + 3,854.87 + 340 = \$7,744.87

Larger meters will be reviewed on a case-by-case basis

Policy: Who pays for growth?

Background: There are always discussions about responsibility for costs when a developer seeks to add an area of water and sewer service to a new development. As a general rule, the Borrego Water District (BWD) requires the development to pay its own way, desiring not to subsidize growth. This is only fair to existing customers. Sometimes, however, BWD desires to extend a water or sewer line at its own cost whenever the result will be an improvement to the system. Because these are differing directions, the differences can sometimes become blurred. BWD has attempted to resolve the issues with its developer policy. This policy will need to be reviewed from time to time to determine its applicability. What is needed for effective strategic planning is a statement of policy on the subject affirming the general direction.

Policy: It is the policy of the Borrego Water District (BWD) to encourage responsible growth by requiring new developers to install water and sewer connector lines at the developer's expense, in addition to the assessment of developer charges for each new connection to pay for any improvements required to the existing BWD system and the use of existing system capacity. Participation in costs by BWD will occur only when BWD is convinced such connector lines will add further benefit to the District.

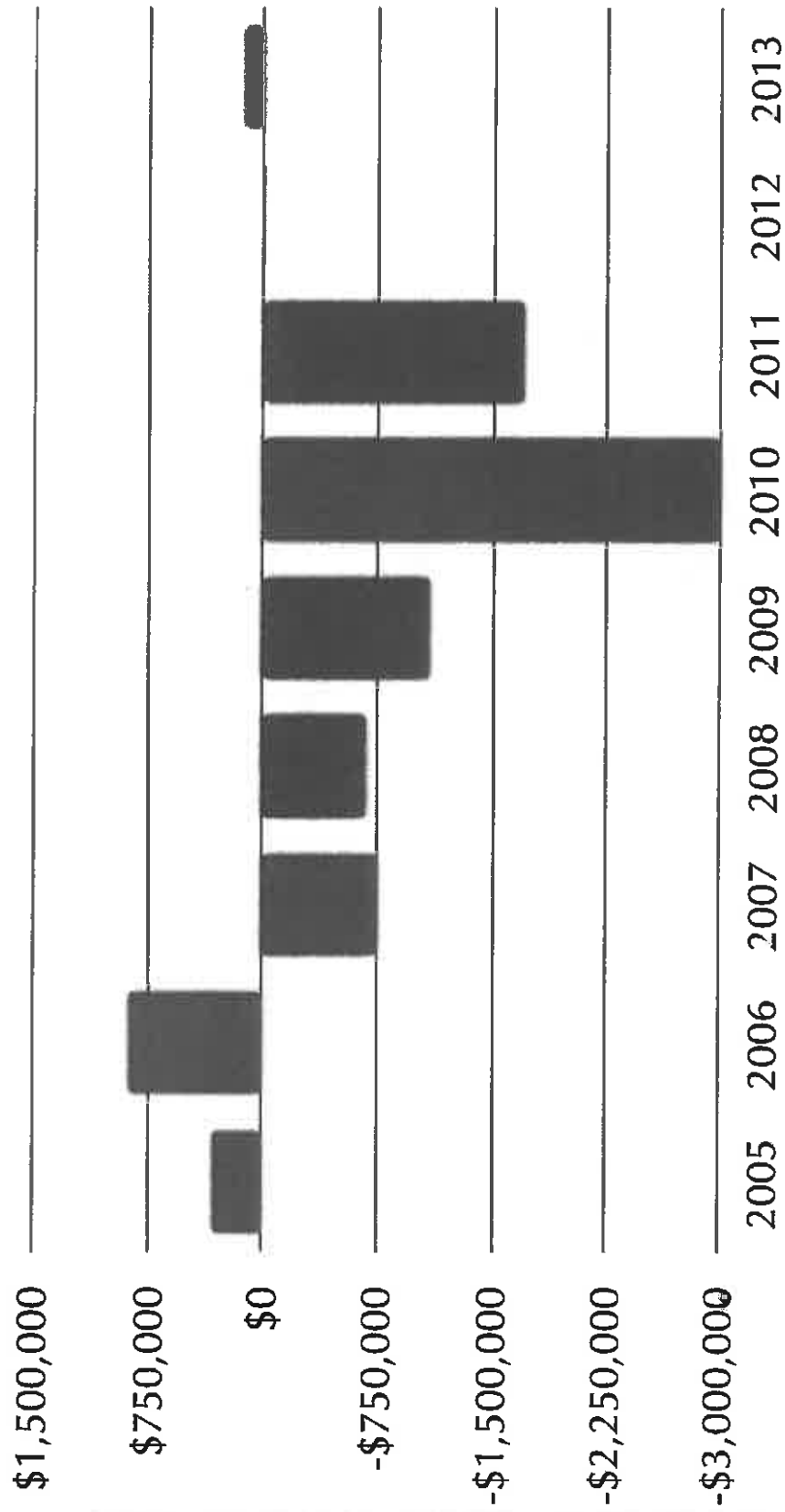
BORREGO WATER DISTRICT 2012 TOWN HALL
MARCH 27, 2013 4:00PM - 5:30PM
PERFORMING ARTS CENTER
590 Palm Canyon Drive
Borrego Springs, CA 92004

AGENDA

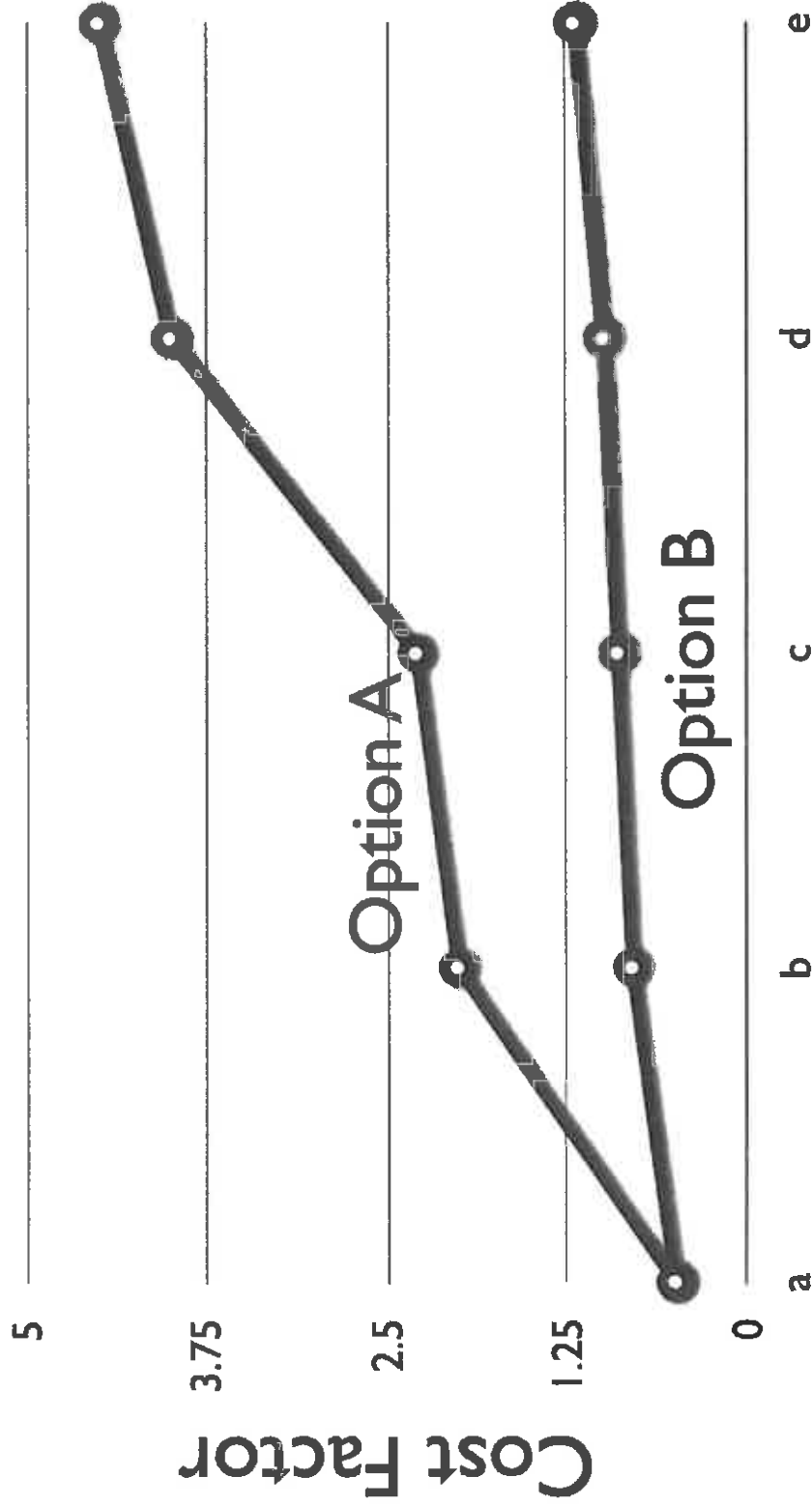
Handout (1 p, front and back): Side 1: PPT of District cash flow history & FY 2013 projection. Side 2: Agenda & Brief Description of USGS and Reclamation studies

- 1) Greetings and Introductions. Gary Haldeman
- 2) History of groundwater management. Jerry Rolwing, General Manager, Borrego Water District [BWD] (5 minutes)
- 3) Overdraft update: Why is the overdraft of the Borrego Valley Basin of concern? Claudia Faunt, PhD, Hydrologist, US Geological Survey [USGS] (20 minutes)
- 4) What is the feasibility of and potential costs for importing water to the Borrego Valley? Greg Krzys, Water Resources Planner, U.S. Department of Interior, Bureau of Reclamation [Reclamation] (20 minutes)
- 5) Where is the District now financially? Will rates increase for FY 2014? Why resolving the overdraft today is necessary to keep water rates from increasing even more tomorrow. Lyle Brecht, Vice President of the Board, BWD (15 minutes)
- 6) Recap. Where do we stand today as a community with a future? Beth Hart, President of the Board, BWD (10 minutes)
- 7) Moderated, written questions from the audience (20 minutes)

■ Net Increase (Decrease) In Cash & Cash Equivalents



○ Option A - Unmanaged ○ Option B - Managed
Economics of Unmanaged vs Managed Basin



Time Period

POTENTIAL MESSAGING REGARDING THE OVERDRAFT
FROM THE PERSPECTIVE OF DISTRICT RATEPAYERS

- Will rates increase for FY 2014? Yes. How much will they increase? The Board does not yet know, as the FY 2014 budget is still being worked on. A 20% increase is the maximum they can be raised under the Proposition 218 authority from June 2011. Here's why:
- Majority of the cash outflow during FY 2009 - 2011 (about 70%) was to "do something about the overdraft." [Slide 1]
- Since 1982 when the USGS produced definitive evidence that the Borrego Valley Groundwater Basin was being overdrafted to the extent that serious economic, social, and environmental harms would occur, the District, assisted with grants from the U.S. Geological Survey (USGS) ; U.S. Environmental Protection Agency (USEPA); U.S. Department of the Interior, Bureau of Reclamation (Reclamation); California Department of Water Resources (DWR), and San Diego County Department of Planning and Development Services (PDS), has spent approximately \$5 million (on a Present Value [PV] basis) to study the physical parameters of the overdraft and to fallow a few hundred acres of farmland.
- Yet, according to a USGS preliminary report due out in final form this year, the net result has been that the overdraft has more than doubled since 1982; rising from about 6,000 AFY to somewhere between 13,000 to 17,000 AFY (waiting for the USGS final report for a more precise number).
- One of the reasons that the District has been able to limit potential revenue increases to 80% through FY 2016 from rates in effect in FY 2011, beyond cutting \$800,000 from its FY 2011 operating budget, eliminating two full time positions, and deferring costly infrastructure improvement projects until it is able to borrow in the capital markets again, was to stop spending any further money to "do something about the overdraft."
- All available cash flow even with the rate increases that District customers have experienced these past two years have gone to keep up with current period operating and maintenance (O&M) costs of providing reliable potable water service, replacing aging infrastructure (the District operates infrastructure with a replacement cost of around \$62.5 million) and to regain the District's credit rating it lost in December 2010 so that it can borrow again from the bond markets, hopefully by FY 2016 or FY 2017.
- The water business is extremely capital intensive and attempting to fund Repair and Replacement (R&R) of aging infrastructure out of current revenues alone is not feasible. This would require multimillion dollar assessments for the 2,000+ customers of the District from time to time. Something no ratepayer could afford to pay.

POTENTIAL MESSAGING REGARDING THE OVERDRAFT
FROM THE PERSPECTIVE OF DISTRICT RATEPAYERS

- In last year's Town Hall, we went over why it is important for the District to keep its physical infrastructure in good shape. The reason to keep this infrastructure in good shape is because the District's job is to dependably deliver potable water to your homes and businesses. That is, water when you drink it, the water does not make you sick. This requires that the system is well maintained and aging infrastructure is repaired and replaced on a schedule. This all takes money.
- Deferring maintenance and repairs and replacement too long, thinking one is saving money, costs more. An analogy is avoiding oil changes on your car, thinking you are saving money. Replacing the engine on your car due to neglecting regular oil changes is much, much more expensive. Neglecting regular oil changes is just dumb and so is deferring maintenance and repairs and replacement of aging infrastructure too long. Very Expensive!
- But, the big ticket cost-driver for District customers and all pumpers in the Valley now and into the future is the overdraft.
- Last year, the District hoped that DWR would provide some funding through its Integrated Regional Water Management (IRWM) program to help establish the economic cost to all parties in the Valley of not resolving the overdraft in a timely fashion. [Slide 2]
- The Anza Borrego Desert (ABD) Region was formed out of necessity after being denied inclusion in the San Diego, Coachella Valley and Imperial Valley Integrated Regional Water Management Groups (IRWMG's). The Borrego Water District (BWD), a State of California water district (Water Code § 35565), provided all of the ABD-IRWM funding to date, \$328,425. With this funding, 17 stakeholder meetings were held, all noticed and open to the public per IRWM planning guidelines, 12 steering committee conference calls with the San Diego County Department of Planning and Development Services (PDS) and the Resource Conservation District of Greater San Diego (RCD) [the two other partnering agencies that formed the ABD-IRWMG] and two DWR planning grant applications were developed. One in 2010, another in 2012.
- Unfortunately, DWR denied both grant requests. To the best of our knowledge, this region was one of only two regions in the state applying for a planning grant that was denied funding through DWR's IRWM program. The ABD region was also the only designated "disadvantaged community" (DAC) we know of that was denied funding.
- From one perspective, in denying the IRWM planning grant request, DWR may have made a reasonable business decision. After all, millions have been spent over the past 30-years and

POTENTIAL MESSAGING REGARDING THE OVERDRAFT
FROM THE PERSPECTIVE OF DISTRICT RATEPAYERS

all that has happened is that the overdraft has more than doubled over this same period. However, from our community's perspective, this no-funding decision on DWR's part is problematic:

- DWR has published strict guidelines to be followed in arriving at an approved IRWM plan. An approved plan is required to receive any future DWR project implementation funds. To follow the guidelines costs hundreds of thousands of dollars. One reason for DWR's IRWM planning grant program is to help cover these costs.
- In this basin, one reason for little action in resolving the overdraft in the past has been the question of urgency; "why should we invest funds to resolve the overdraft today rather than tomorrow?" The question still remains: "where are we on the cost curve of Option A - an unmanaged basin?"
- Typically, overdrafting a basin is expensive:
 - As water levels decline, greater amounts of electricity are required to pump this water to the surface. Water is heavy and pumping it from 8 feet (the water level in some parts of the Basin 40-years ago) rather than 800-feet (the water level in parts of the Basin today) costs more. Pumping costs have dramatically increased over time. This increases delivered water costs.
 - As water levels decline, existing wells fail and no longer can pump adequate water to the surface. New wells need to be drilled or relocated. New distribution lines added. This increases delivered water costs.
 - As water levels decline, water quality often decreases. To render this deeper water potable or potentially even useful for irrigation may require much more expensive treatment. This increases water costs.
 - As water levels decline, gradual compaction of the aquifer and subsidence occurs over time. Compaction of the aquifer is the loss of space where groundwater can reside. Subsidence is a sinking or downward settling of the earth's surface due to the excessive withdrawals of groundwater. Both compaction and subsidence is human-caused and is typically irreversible if and when it occurs.
 - If the overdraft continues at its present rate, it is certain that some or all of these increases in water costs will occur.

POTENTIAL MESSAGING REGARDING THE OVERDRAFT
FROM THE PERSPECTIVE OF DISTRICT RATEPAYERS

- Today's cost of delivered groundwater from the basin for irrigation is less than \$200/AF and about \$600/AF for potable water, assuming the groundwater itself is free - no cost!
- Some have promoted the use of imported water to address the overdraft. Reclamation has presented some of the costs of this option. There is no free lunch. No one is going to provide free water to the Valley and pay all the costs to construct a pipeline to transport this water to the Valley.
- Some have suggested tapping the Clark Dry Lake aquifer as a source. To do the studies to just determine if the Clark Lake aquifer has adequate water to be a potential source could cost around \$1 million. If a sustainable supply was determined by such study, that is, pumping that does not exceed the safe yield, the current capital cost estimate for a pipeline to transport the water to the Valley and tertiary treatment to render this water potable for consumption is approximately \$10 million; to deliver water that would cost the District's customer's about \$1,000/AF (remember the cost of water itself today is zero dollars!).
- Some have recommended adjudicating the basin as a solution. Twenty-two basins in southern California have chosen this option to resolve their communities' overdraft situation.
- Some have even suggested to do nothing about the overdraft; just let free market forces work. This was essentially what was proposed back in 1982. This option did not work between 1982 and today and is unlikely to work going forward from today. Actually, there is no evidence from the experience from other basins (in California, the US, or anywhere in the world) that overdrafts have been able to be resolved in an economically timely fashion using market forces alone.
- A basin planning authority, in combination with market forces, is typically required to resolve an overdraft in an economically timely fashion. In California, a planning authority is usually established through negotiated plan agreed to by pumpers that are then stipulated by the courts or legislatively enacted. If negotiations stall or fail entirely, then an adjudication is typically begun to resolve the overdraft.
- The District's Board believes that bringing an over-drafted groundwater basin back into balance is a difficult task and is optimally done by cooperation among all affected parties. The District believes that the best solutions rely on a combination of market forces, legal requirements and good old-fashioned cooperation. The District is looking for that type of solution to solve our common problem.

**BORREGO WATER DISTRICT
ENGAGEMENT LETTER**

January 3, 2013

Kim Pitman, Administration Manager
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, California 92004

Dear Ms. Pitman:

We are pleased to confirm our understanding of the services we are to provide for Borrego Water District for the years ending June 30, 2013, 2014, and 2015.

We will audit the statement(s) of net position of Borrego Water District as of June 30, 2013, 2014, and 2015, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years ended. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole:

1. Any compliance that State and Federal Districts require, if applicable

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the District's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the

**BORREGO WATER DISTRICT
ENGAGEMENT LETTER**

areas to be tested. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Management Responsibilities

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the tax services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the District complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts or grant agreements that we may report.

**BORREGO WATER DISTRICT
ENGAGEMENT LETTER**

Maximum Audit Fees

Our fees for the services will be based on the actual time spent at our standard hourly rates and out-of-pocket costs. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. These fees presented including all expenses, such as travel expenses, etc. Our professional fee for the audit of the financial statements is:

1. \$16,563 for the period July 1, 2012 through June 30, 2013 (ONE YEAR CONTRACT); or,
2. \$15,363 per year for the periods July 1, 2012 through June 30, 2013 and July 1, 2013 through June 30, 2014 (TWO YEAR CONTRACT); or,
3. \$14,439 per year for the periods July 1, 2012 through June 30, 2013, July 1, 2013 through June 30, 2014, and July 1, 2014 through June 30, 2015 (THREE YEAR CONTRACT).

The fee estimate is based on anticipated cooperation from your personnel and the assumption that all records needed to complete the audit are at the school site, and that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

For multi-year contracts, if significant additional time is required to perform the audit of the contract year due to unforeseen circumstance, we will discuss with you whether a new fee estimate is warranted, before we incur the additional costs.

The billing will be staggered for three different payments in the amount of:

1. 1/3 of the total yearly contract amount upon the start of preliminary audit fieldwork.
2. 1/3 of the total yearly contract amount upon the start of financial audit fieldwork.
3. 1/3 of the total yearly contract amount upon release of final audit report.

If the District signs an engagement for more than one year and later decides to select another auditing firm for the subsequent year after completion of the current year audit, the fees will be adjusted based on the number of years that our firm has completed the audit(s).

We also prepare the District's Special Transaction Report for the year under audit.

Engagement Administration and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Hosaka, Rotherham & Company and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to any State and Federal agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Hosaka, Rotherham & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the any authorized agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

**BORREGO WATER DISTRICT
ENGAGEMENT LETTER**

James A. Rotherham is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We appreciate the opportunity to be of service to Borrego Water District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions regarding this engagement letter, please do not hesitate to contact us.

Sincerely,

James A. Rotherham, CPA

James A. Rotherham, CPA
CEO & Managing Partner
Hosaka, Rotherham & Company

To indicate your approval of the engagement letter, please sign the original copy of this letter in the space provided and return it to us in the enclosed envelope. A copy is enclosed for your files

ENGAGEMENT ACCEPTED - ONE YEAR CONTRACT

By: _____

Title: _____

Date: _____

ENGAGEMENT ACCEPTED - TWO YEAR CONTRACT

By: _____

Title: _____

Date: _____

ENGAGEMENT ACCEPTED - THREE YEAR CONTRACT

By: _____

Title: _____

Date: _____

DATE: February 21, 2013
TO: Board of Directors
FROM: Jerry Rolwing
RE: Town Center Sewer EDU's

The Town Center Sewer System was built with private funding in the early 1990's and turned over to the District for operation. There were 1000 EDU's (equivalent dwelling units) assigned to the system and there are two categories, "holders" and "users". "Holders" maintain the right to utilize the system and once they begin discharging waste into the system, they become "users". Once the EDU's are converted to "users", the EDU's are permanently attached to the property. "Holders" may be bought and sold by private parties or the District. Presently the District "holds" 226 EDU's which have been returned to the District either at the owner's request or for lack of payment as outlined in the Town Center Sewer Agreement. The District can resell the "held" EDU's for \$3,040 each.

Palm Canyon Resort currently "uses" 40 EDU's for the Resort. The previous owner kept 30 EDU's that were being "held" when the property was sold. The 30 "held" EDU's are past due in payment and in accordance with the Town Center Sewer Agreement, can now be returned to the District for resale. We have attempted to work with the owner but we are limited to the terms of the Agreement.

The former owner of La Casa del Zorro has a similar situation where the Resort "uses" 79 EDU's and had 8 EDU's "held". The former owner has informed the District that they no longer wish to pay to "hold" these EDU's and has requested that the District take them.

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**BWD CASH FLOW
2012-2013**

	C	D	Z	AA	AB	AC	AD
4	BWD CASH FLOW						
5	2012-2013		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
6			BUDGET	JANUARY	JAN	YTD	PROJECTED
7			2012-2013	2013	2013	2012-2013	2012-2013
8	REVENUE						
9	WATER REVENUE						
10	Residential Water Sales (Assume no water use on Montezoro GC)		797,310	50,985	45,868	427,524	733,281
11	Commercial Water Sales		112,548	7,810	7,759	61,278	102,511
12	Irrigation Water Sales		134,297	6,809	5,489	90,760	132,315
13	GWM Surcharge		103,204	6,378	5,783	56,284	92,602
14	Water Sales Power Portion		331,621	21,104	18,905	185,545	304,938
15	Readiness Water Charge		986,046	80,909	81,000	543,531	948,581
16	Readiness Water Charge - Liened properties			15,657	0	15,657	15,657
17	Meter Installation		0	0	0	-	-
18	Water hook-up charge		0	0	0	-	-
19	Reconnect Fees		11,000	680	1,700	5,780	7,820
20	Backflow Testing/Installation		5,000	4,550	4,200	4,550	4,625
21	Bulk Water Sales		3,570	172	20	4,467	6,948
22	Penalty & Interest Water Collection		32,252	800	3,300	7,763	12,763
23	TOTAL WATER REVENUE:		2,516,848	195,853	174,023	1,403,188	2,374,240
24		Receivables as of 02/12/13					2,362,240
25	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES						
26	641500 1% Property Assessments	30,792	68,174	9,601	9,601	36,202	65,654
27	641502 Property Assess w/rr/ffd (579 parcels \$66 ea(44,814))	35,981	24,985	7,239	7,239	15,471	25,555
28	641502/641503 Prop Assess (Allowance for bad debt (\$458,909))	658,579	0			-	-
29	641501 Water avail Standby	46,814	78,918	24,834	24,834	58,720	85,956
30	641504 ID 3 Water Standby (361 parcels \$37.70 parcel (13,609.7))	0	13,609	0	10,857	-	-
31	641504 ID 3 Water Standby-(La Casa-2 parcels= \$20,150)	17,276	19,485	13,614	2,757	20,429	34,994
32	641503 Pest standby	22,669	14,183	3,956	3,956	9,397	16,127
33	TOTAL PROPERTY ASSES/AVAIL CHARGES:	812,112	219,364	59,243	59,243	140,220	227,285
34							227,285
35	SEWER SERVICE CHARGES						
36	Town Center Sewer Holder's Fees		180,144	14,274	15,012	102,130	177,190
37	Sewer user Fees (budget increase figures excludes TCS)		309,790	26,315	26,400	167,306	299,306
38	Penalty Interest-Sewer		1,200	165	100	890	1,390
39	Sewer Capacity Fees		0	0	0	-	-
40	TOTAL SEWER SERVICE CHARGES:		491,134	40,754	41,512	270,326	477,886
41							477,886
42	OTHER INCOME						
43	Rent Income-Antilles wireless		7,715	400	1,043	5,415	7,415
44	Annexation Fees		0	0	0	-	-
45	Fire Hydrant Installation		0	0	0	-	-
46	Miscellaneous Income (net csd fee/JPIA rebate)		13,000	125	120	(1,571)	8,786
47	Administrative Fee-Water Credits		1,000	0	0	-	-
48	Gain on asset sold -Sale of Package Plant		0	0	0	36,000	36,000
49	Sale of Clark Dry Lake Property/Communication tower			122,550	122,550	217,335	217,335
50	Stag Grant		0	0	0	-	-
51	Interest Income		200	22	28	94	168
52	TOTAL OTHER INCOME:		21,915	123,097	123,741	257,273	269,701
53							269,701
54	TOTAL INCOME:		3,249,262	418,947	398,519	2,071,007	3,349,113
55							3,337,113
56	CASH BASIS ADJUSTMENTS						
57	Decrease (Increase) in Accounts Receivable		0	(17,671)		(2,697)	(2,697)
58	CC Golf Equipment: receivable		2,268	189	189	1,324	2,269
59	Other Cash Basis Adjustments - refund construction deposit accts			850		(4,435)	(4,435)
60	TOTAL CASH BASIS ADJUSTMENTS:		2,268	(16,632)	189	(5,708)	(4,763)
61							
62	TOTAL INCOME RECEIVED:		3,251,530	402,315	398,708	2,065,299	3,344,350

**BWD CASH FLOW
2012-2013**

	AK	AL	AM	AN	AO
4					
5	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
6	FEB	MARCH	APRIL	MAY	JUNE
7	2013	2013	2013	2013	2013
8					
9					
10	48,173	46,794	52,614	71,198	88,978
11	7,818	7,866	7,736	9,292	8,521
12	7,279	5,597	5,844	9,803	13,032
13	8,193	5,845	6,448	8,830	9,202
14	20,263	19,135	21,140	28,802	30,053
15	81,000	81,000	81,000	81,000	81,000
16	2,400	2,400	2,400	2,400	2,400
17	0	0	0	0	0
18	0	0	0	0	0
19	0	0	1,360	680	0
20	25	50	0	0	0
21	350	79	482	1,470	100
22	1,000	1,000	1,000	1,000	1,000
23	174,501	169,766	180,024	214,475	232,286
24					
25					
26	1,024	1,907	18,581	6,672	1,267
27	797	891	726	8,792	927
28	0	0	0	0	0
29	2,089	3,316	2,733	14,935	4,156
30	0	0	0	0	0
31	291	516	415	12,910	490
32	273	431	356	4,146	523
33	4,372	7,062	22,811	45,459	7,362
34					
35					
36	15,012	15,012	15,012	15,012	15,012
37	26,400	26,400	26,400	26,400	26,400
38	100	100	100	100	100
39	0	0	0	0	0
40	41,512	41,512	41,512	41,512	41,512
41					
42					
43	400	400	400	400	400
44	0	0	0	0	0
45	0	0	0	0	0
46	9,878	120	120	120	120
47	0	0	0	0	0
48	0	0	0	0	0
49	0	0	0	0	0
50	0	0	0	0	0
51	11	11	28	11	11
52	10,287	531	548	531	531
53					
54	230,673	218,871	244,895	301,976	281,691
55					
56					
57					
58	189	189	189	189	189
59					
60	189	189	189	189	189
61					
62	230,862	219,060	245,084	302,165	281,880

BWD CASH FLOW
2012-2013

	C	D	Z	AA	AB	AC	AD
4	BWD CASH FLOW						
5	2012-2013						
6			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
7			BUDGET	JANUARY	JAN	YTD	PROJECTED
83			2012-2013	2013	2013	2012-2013	2012-2013
83	EXPENSES						
84							
85	MAINTENANCE EXPENSE						
86	R & M Buildings & Equipment		130,000	17,604	15,000	80,794	130,000
87	R & M - WWTP		60,000	2,916	5,000	18,033	43,033
88	Telemetry		15,000	0	2,000	4,975	9,975
89	Trash Removal		3,600	314	300	2,136	3,636
90	Vehicle Expense		12,000	1,161	300	12,983	15,183
91	Fuel & Oil		35,000	994	1,800	17,597	31,847
92	TOTAL MAINTENANCE EXPENSE:		255,600	22,988	24,400	136,518	233,674
93							233,674
94	PROFESSIONAL SERVICES EXPENSE						
95	Accounting (Taussig)		4,000	0	0	416	1,916
96	Administrative Services (ADP/Bank Fees)		5,000	539	420	3,291	5,385
97	Audit Fees		26,000	0	0	21,150	25,963
98	Computer billing		9,000	95	300	4,798	8,715
99	Consulting/Technical		1,500	0	0	-	500
100	Engineering		10,000	0	1,000	2,980	6,080
101	Legal Services		10,000	0	300	13,021	14,521
102	Testing/lab work		28,000	1,345	1,600	6,683	19,966
103	Regulatory Permit Fees		45,000	1,893	1,500	32,288	42,908
104	TOTAL PROFESSIONAL SERVICES EXPENSE:		138,500	3,972	5,120	84,626	125,874
105							125,874
106	INSURANCE/INTEREST EXPENSE						
107	ACWA Insurance		72,000	0	0	30,539	71,146
108	Workers Comp		19,200	0	0	9,680	19,280
109	Interest-COP 2008/Well 12 Purchase Agreement		225,072	0	0	162,634	225,072
110	TOTAL INSURANCE/INTEREST EXPENSE:		316,272	0	0	202,853	315,498
111							315,498
112	PERSONNEL EXPENSE						
113	Board Meeting Expense (board stipend/board secretary)		9,130	1,640	990	4,295	10,295
114	Salaries & Wages (gross)		825,000	70,607	68,750	502,221	845,971
115	Taxes on Payroll		19,251	6,254	5,541	12,747	19,791
116	Medical Insurance Benefits	+8% Jan-June 21	223,000	18,657	18,657	125,537	219,272
117	Calpers Retirement Benefits		177,240	15,018	14,770	101,732	176,732
118	Salaries & Wages contra account		(24,000)	(1,320)	(990)	(6,235)	(12,235)
119	Conference/Conventions/Training/Seminars		7,500	540	150	7,701	8,451
120	TOTAL PERSONNEL EXPENSE:		1,237,121	111,396	107,868	747,998	1,268,277
121							1,268,277
122	OFFICE EXPENSE						
123	Office Supplies		18,000	1,314	1,000	14,630	19,630
124	Office Equipment/ Rental/Maintenance Agreements		26,000	2,740	2,900	18,982	25,982
125	Postage & Freight		11,000	0	50	6,166	11,166
126	Taxes on Property		2,300	0	0	2,150	2,150
127	Telephone/Answering Service		8,500	593	700	4,617	8,117
128	Bad Debt Collection		1,000	(15)	150	(63)	287
129	Dues & Subscriptions		5,000	0	0	995	4,785
130	Printing, Publications & Notices		1,500	0	90	747	1,500
131	Uniforms		6,500	549	540	3,621	6,371
132	Osha Requirements/Emergency preparedness		5,000	76	200	966	3,866
133	TOTAL OFFICE EXPENSE:		84,800	5,256	5,630	52,812	83,865
134							83,865
135	UTILITIES EXPENSE						
136	Pumping-Electricity		330,000	17,685	26,000	192,103	320,103
137	Office/Shop Utilities		16,000	1,506	1,250	11,131	16,581
138	Cellular Phone		9,000	647	725	5,168	9,093
139	TOTAL UTILITIES EXPENSE:		355,000	19,839	27,975	208,402	345,777
140							137,375
141	TOTAL EXPENSES:		2,387,292	163,450	170,993	1,433,208	2,372,954
142							2,372,954
143	CASH BASIS ADJUSTMENTS						
144	Decrease (Increase) in Accounts Payable		0	(471)		18,775	18,775
145	Increase (Decrease) in Inventory		0	(12,282)		8,698	8,698
146	TOTAL CASH BASIS ADJUSTMENTS:		0	(12,754)	0	27,473	27,473
147							
148	TOTAL EXPENSES PAID:		2,387,292	150,697	170,993	1,460,681	2,400,427
149							
150	NET CASH FLOW (O&M)		864,237	251,618	227,715	604,618	943,923

**BWD CASH FLOW
2012-2013**

	AK	AL	AM	AN	AO
4					
5	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
6	FEB	MARCH	APRIL	MAY	JUNE
7	2013	2013	2013	2013	2013
83					
64					
65					
66	10,500	10,000	10,000	10,500	8,206
67	5,000	5,000	5,000	5,000	5,000
68	1,000	0	2,000	1,000	1,000
69	300	300	300	300	300
70	500	200	500	500	500
71	3,167	2,400	3,400	2,300	2,983
72	20,467	17,900	21,200	19,600	17,989
73					
74					
75	0	0	0	1,500	0
76	420	420	420	420	414
77	0	0	0	4,812	0
78	300	300	1,387	650	1,300
79	0	500	0	0	0
80	0	1,500	500	500	600
81	300	300	300	300	300
82	2,000	1,600	3,450	3,800	2,654
83	3,000	820	700	3,000	3,000
84	6,020	5,440	6,737	14,783	8,268
85					
86					
87	0	10,585	30,022	0	0
88	0	4,800	0	0	4,800
89	0	62,438	0	0	0
90	0	77,823	30,022	0	4,800
91					
92					
93	1,200	1,200	1,200	1,200	1,200
94	68,750	68,750	68,750	68,750	68,750
95	2,781	1,173	1,100	1,000	980
96	18,747	18,747	18,747	18,747	18,747
97	15,000	15,000	15,000	15,000	15,000
98	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
99	150	150	150	150	150
100	105,438	103,820	103,747	103,647	103,627
101					
102					
103	1,000	1,000	1,000	1,000	1,000
104	600	1,000	1,500	1,600	1,800
105	1,000	1,000	1,000	1,000	1,000
106	0	0	0	0	0
107	700	700	700	700	700
108	0	50	100	100	100
109	130	500	2,500	0	680
110	0	0	250	343	160
111	550	550	550	550	550
112	200	2,000	200	200	300
113	4,180	7,400	7,800	5,493	6,070
114					
115					
116	25,000	23,000	25,000	25,000	30,000
117	1,000	1,000	1,000	1,200	1,250
118	725	725	825	825	825
119	26,725	24,725	26,825	27,025	32,075
120					
121	162,830	237,108	196,431	170,548	172,829
122					
123					
124					
125					
126	0	0	0	0	0
127					
128	162,830	237,108	196,431	170,548	172,829
129					
130	68,032	(18,049)	48,853	131,617	109,051

BWD CASH FLOW 2012-2013

	C	D	Z	AA	AB	AC	AD
4	BWD CASH FLOW						
5	2012-2013						
6			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS
7			BUDGET	JANUARY	JAN	YTD	PROJECTED
			2012-2013	2013	2013	2012-2013	2012-2013
131	NON O & M EXPENSES						
132	USGS Basin study (\$106,365 balance)		131,035			14,803	121,168
133	GWM Planning Costs - unallocated		25,000	2,931	2,000	8,096	18,596
134	Integrated Regional Water Management Plan/Staff time		0			2,695	2,695
135	BOR S.E. California Regional Basin Study/Staff Time		0			-	-
136	STAG/LGA Grant/Staff time		0			923	923
137	Viking Ranch Purchase		0		69,000	-	69,000
138	Viking Ranch Purchase RESERVE		100,000			-	-
139	GWM/ABD-IRWM Legal Expenses		0			2,287	2,287
140	Water Credit Policy legal expenses		0			-	-
141	Contingency for possible well pump/motor failure (Well 12/Well 5 800 tank)		62,000	30,238	29,799	133,040	257,040
142	Rams Hill #1 1980 steel needs inside coating, 1.25mg		200,000		0	-	200,000
143	Twin Tanks, 1970's-inside coating (rescheduled into 2013-2014)		0			-	-
144	Pickup		15,000			15,500	15,500
145	ID4, Reducing Station design and installation		25,000			-	25,000
146	Circle J Drive pipeline (excludes BWD labor)		60,000			-	60,000
149	Splitter Box Concrete Repairs-WWTP	R & M	0			-	-
151	New Motor & Pump Kit for ID4-Booster Station 3	R & M	0			-	-
152	Concrete replacement-WWTP		10,000			-	10,000
153	Rework drying bed material-WWTP		43,000		0	39,447	39,447
154	Roof replacement for Lugo building		10,000			-	10,000
155	TOTAL NON O&M EXPENSES		981,035	33,169	100,799	216,791	831,656
156							831,656
157	CASH RECAP						
158	Cash beginning of period		899,435	1,068,811	1,068,811	899,435	899,435
159	Net Cash Flow (O&M)		864,237	251,618	227,715	604,618	943,923
160	Total Non O&M Expenses		(681,035)	(33,169)	(100,799)	(216,791)	(831,656)
161	Transfer To/From Reserves			0		-	0
162	CASH AT END OF PERIOD		1,082,637	1,287,261	1,195,727	1,287,262	1,011,702
163				1,287,261			
164	(Rounding)			(0)			
165	RESERVES						
166	Working Capital (3 months)		600,000				
167	Contingency (3%)		72,000				
168	Asset replacement		115,000				
169	Emergency		2,500,000				
170	Viking Ranch Purchase		100,000				
171	TOTAL RESERVES		3,387,000				
172							
173	SIGNIFICANT ITEMS		ACTUAL	PROJECTED			
174							
175	Readiness Water Charge - Liened properties		15,657	0	Reclassified Liened properties		
176	Rent Income-Antilles wireless		400	1,043	Closed escrow on County antenna site		
177	Board Meeting Expense (board stipend/board secretary)		1,640	990	Special Board Meeting		
178	Salaries & Wages (gross)		70,607	68,750	96 hour pay period		
179	Pumping-Electricity		17,685	26,000	CR balance on acct (bill \$3,680)		
180							
181							
182	Total Significant Items:		105,989	96,783			

**BWD CASH FLOW
2012-2013**

	AK	AL	AM	AN	AO
4					
5	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
6	FEB	MARCH	APRIL	MAY	JUNE
7	2013	2013	2013	2013	2013
131					
132		53,183			53,183
133	(1,500)	2,000	2,000	2,500	2,500
134					
135					
136					
137	0	60,000			
138					
139					
140					
141		52,000	93,000		
142	0	100,000		100,000	
143					
144					
145	0	0	20,000		5,000
148	0		80,000		
149					
151					
152	0		10,000		
153					
154		10,000			
155	1,500	296,183	154,000	102,500	60,683
156					
157					
158	1,287,281	1,353,793	1,039,562	934,215	963,332
159	68,032	(18,049)	48,653	131,617	109,051
160	(1,500)	(296,183)	(154,000)	(102,500)	(60,683)
161					
162	1,353,793	1,039,562	934,215	963,332	1,011,701
163					
164					
165					
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BORREGO WATER DISTRICT

	BALANCE SHEET January 31, 2013 (unaudited)	BALANCE SHEET December 31, 2012 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,287,261.38	\$ 1,068,811.44	\$ 218,449.94
Accounts receivable from water sales and sewer charges	\$ 376,134.03	\$ 358,463.03	\$ 17,671.00
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 144,492.71	\$ 156,775.02	\$ (12,282.31)
Availability charges receivable	\$ 540,457.67	\$ 540,457.67	\$ -
Allowance for uncollectable availability charges	\$ (458,909.85)	\$ (458,909.85)	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 41,217.72	\$ 41,217.72	\$ -
Other Receivables	\$ 5,487.00	\$ 5,676.20	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 1,936,140.66	\$ 1,712,491.23	\$ 223,649.43
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 152,562.81	\$ 152,562.81	\$ -
Unamortized bond issue costs	\$ 105,430.03	\$ 105,430.03	\$ -
Total Debt service	\$ 257,992.84	\$ 257,992.84	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 62,103.71	\$ 24,114.46	\$ 37,989.25
Total Trust fund	\$ 62,103.71	\$ 24,114.46	\$ 37,989.25
TOTAL RESTRICTED ASSETS	\$ 320,096.55	\$ 282,107.30	
UTILITY PLANT IN SERVICE			
Land	\$ 1,935,693.94	\$ 1,935,693.94	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 181,778.42	\$ 181,778.42	\$ -
Sewer Facilities	\$ 5,544,552.59	\$ 5,544,552.59	\$ -
Water facilities	\$ 11,031,872.17	\$ 11,124,184.67	\$ (92,312.50)
Pipelines, wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,009,059.92	\$ 1,009,059.92	\$ -
Equipment and furniture	\$ 323,754.18	\$ 323,754.18	\$ -
Vehicles	\$ 495,572.91	\$ 495,572.91	\$ -
Accumulated depreciation	\$ (10,395,326.24)	\$ (10,395,326.24)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,598,260.49	\$ 14,690,572.99	\$ (92,312.50)
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 17,039,497.70	\$ 16,870,171.52	\$ 169,326.18

Balance sheet continued

	BALANCE SHEET January 31, 2013 (unaudited)	BALANCE SHEET December 31, 2012 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 48,979.77	\$ 48,508.51	\$ 471.26
Accrued expenses	\$ 168,546.27	\$ 168,546.27	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	<u>\$ 23,136.25</u>	<u>\$ 22,286.25</u>	\$ 850.00
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 240,662.29	\$ 239,341.03	\$ 1,321.26
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	<u>\$ 62,103.71</u>	<u>\$ 24,114.46</u>	\$ 37,989.25
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 62,103.71	\$ 24,114.46	\$ 37,989.25
LONG TERM LIABILITIES			
2008 Certificates of participation (payable from restricted assets)	\$ 2,775,000.00	\$ 2,775,000.00	\$ -
Montesoro Note Payable	<u>\$ 695,726.52</u>	<u>\$ 630,965.43</u>	\$ 64,761.09
TOTAL LONG TERM LIABILITIES	\$ 3,470,726.52	\$ 3,405,965.43	\$ 64,761.09
TOTAL LIABILITIES	\$ 3,773,492.52	\$ 3,669,420.92	\$ 104,071.60
FUND EQUITY			
Contributed equity	<u>\$ 9,649,544.17</u>	<u>\$ 9,649,544.17</u>	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	<u>\$ 3,616,461.01</u>	<u>\$ 3,551,206.43</u>	\$ 65,254.58
Total retained earnings	<u>\$ 3,616,461.01</u>	<u>\$ 3,551,206.43</u>	\$ 65,254.58
TOTAL FUND EQUITY	\$ 13,266,005.18	\$ 13,200,750.60	\$ 65,254.58
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,039,497.70	\$ 16,870,171.52	\$ 169,326.18



BORREGO WATER DISTRICT

Treasurer's Report January, 2013

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

Cash and Cash Equivalents:

Demand Accounts at WFB/BSB/LAIF

General Account/Petty Cash	\$ 1,135,920	\$ 1,108,118	\$ 1,108,118	86.08%	0.00%	N/A	WFB/BSB
Payroll Account	\$ 59,057	\$ 57,900	\$ 57,900	4.50%	0.01%	N/A	WFB
LAIF	\$ 20,850	\$ 20,850	\$ 20,850	1.62%	0.36%	N/A	LAIF
MMA	\$ 100,394	\$ 100,394	\$ 100,394	7.80%	0.05%	N/A	WFB
Total Cash and Cash Equivalents	\$ 1,316,220	\$ 1,287,261	\$ 1,287,261	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	62,104	62,104	62,104
Total Cash, Cash Equivalents & Investments	\$ 1,378,324	\$ 1,349,365	\$ 1,349,365

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

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

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



Kim Pitman, Administration Manager



BORREGO WATER DISTRICT

To: BWD Board of Directors
 From: Kim Pitman
 Subject: Consideration of the Disbursements and Claims Paid
 Month Ending January, 2013

A. Vendor disbursements paid during this period:	\$ 120,311.85
<u>Significant items:</u>	
Utilities	\$ 18,466.82
CalPERS Payments	\$ 17,655.16
Employee Health Benefits	\$ 20,088.48
 B. Capital Projects/Fixed Asset Outlays:	
<i>(included in vendor disbursements paid above)</i>	
Hidden Valley - Rebuild Wilcox Well	\$ 30,237.50
 C. Total Professional Services for this Period:	
<i>(included in vendor disbursements paid above)</i>	
McDougal, Love, Eckis, Attorneys	legal-general
*Did not receive invoice	IRWM
	GWM
	Total invoice: \$ -
 Downey Brand, Attorneys	legal-general
	IRWM
	GWM
	\$ 2,451.10
	\$ 2,451.10
 D. Payroll for this Period:	
Gross Payroll	\$ 70,607.07
Employer Payroll Taxes and ADP Fee	\$ 1,231.47
Total	\$ 71,838.54

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JANUARY 31, 2013

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18223	01/31/13	U.S BANK CORPORATE PAYMENT SYS SEE INVOICES FOR DETAILS SEE INVOICES FOR DETAILS	1,488.14
18206	01/23/13	ABILITY ANSWERING/PAGING SER ANSWERING & PAGING SERVICE FOR JANUARY 2013	186.62
18207	01/23/13	ACWA/JPIA EMPLOYEE BENEFITS PE.02/01/13-03/01/13	20,088.48
18224	01/31/13	AFLAC EMPLOYEE PAID SUPPLEMENTAL INSURANCE	1,720.74
18208	01/23/13	AIR POLLUTION FEES ON GENERATORS 223903,223904,223909, AND 223910	900.00
18225	01/31/13	AIR POLLUTION EMISSION RENEWAL FEES	309.00
18241	02/07/13	AIR POLLUTION EMMISSION RENEWAL APCD2012-SITE-00924	309.00
18242	02/07/13	AIR RESOURCES BOARD EMERGENCY USE PERMIT FEE #157962	75.00
18243	02/07/13	AIRGAS USA, LLC EQUIPMENT	98.76
18244	02/07/13	ALLIED WASTE SERVICES #467 3-0467-0007554 3155 HONOR COURT BASIC SERVICE 3-0467-0701728 4861 BORREGO SPGS RD 2475 STIRRUP RD BASIC SERVICE	2,793.96
18245	02/07/13	AMERICAN LINEN INC. UNIFORMS FOR CREW	548.63
18246	02/07/13	AT&T MOBILITY COMPANY CELL PHONES	647.24
18226	01/31/13	AT&T-CALNET 2 WWTP PHONE MAIN OFFICE PHONE MAINT SHOP	

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JANUARY 31, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		PHONE	223.89
18247	02/07/13	BAY CITY ELECTRIC WORKS	
		DIESEL FUEL	102.26
18248	02/07/13	BORREGO SPRINGS BOTTLED WATER	
		BOTTLED WATER FOR MAINT. YARD OFFICES	71.39
18227	01/31/13	BSPAC	
		TOWN HALL MEETING SPACE RENTAL	200.00
18228	01/31/13	BUD PEREZ	
		REIMBURSEMENT FOR WORK BOOTS	75.59
18229	01/31/13	DATASTREAM BUSINESS	
		BILLING PROGRAM VERIFY PRORATED METER CHARGES	95.00
18249	02/07/13	JAMES G HOPMUTH/DBA TRUE VALUE	
		SEE INVOICES FOR DETAILS	153.84
18230	01/31/13	DEBBIE MORETTI	
		PEST CONTROL BWD OFFICES	113.00
18231	01/31/13	DESERT TIRE CENTER	
		LIC #1252455 CA 2008 GMC-CANYON TIRE REPAIR	30.00
18250	02/07/13	DESERT TIRE CENTER	
		2009 DODGE PICKUP R2500-CA BASIC SERVICE 1993 CAT BACKHOE NEW TIRES	804.04
18232	01/31/13	DOWNNEY BRAND	
		PROFESSIONAL FEES FE 12/31/12	2,451.10
18251	02/07/13	E S. BABCOCK & SONS, INC.	
		WATER SAMPLES TAKEN FROM ALL WELLS	1,300.00
18209	01/23/13	GRAPHICS YOU CAN TRUST	
		RE-PRINT OF NATIVE PLANT BROCHURES	480.00
18210	01/23/13	ESCONDIDO METAL SUPPLY	
		PARTS	15.51
18252	02/07/13	GREEN DESERT LANDSCAPE	
		MANAGEMENT FEE FOR JANUARY 2013	5,210.80
18211	01/23/13	HACH COMPANY	
		WATER MAINTENANCE	388.67
18253	02/07/13	HIDDEN VALLEY PUMP SYSTEMS INC	
		WILCOX WELL REBUILD	30,237.50
18254	02/07/13	HOME DEPOT CREDIT SERVICES	
		SEE INVOICES	

BORFEGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JANUARY 31, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		FOR DETAILS	922.16
18233	01/31/13	INTERSTATE BATTERY OF YUMA BATTERY FOR 420 CAT	116.31
18212	01/23/13	KAMAN INDUSTRIAL TECHNOLOGIES REPLACE SKIRTBOARD	275.41
18234	01/31/13	KAMAN INDUSTRIAL TECHNOLOGIES REPLACE LEAKING HOSES	607.56
18235	01/31/13	KENNY STRICKLAND, INC. FUEL FOR CREW TRUCKS & WELLS	891.41
18213	01/23/13	KONICA MINOLTA INSTALLMENT ON COPIER PE-12/25/12- 01/24/13	1,279.45
18255	02/07/13	KONICA MINOLTA INSTALLMENT FOR COPIER PE 01/25/13-02/24/13	1,322.65
18256	02/07/13	NAPA AUTO PARTS INC SEE INVOICES FOR DETAILS	281.69
18214	01/23/13	NORTH COUNTY LAWNMOWER CHAINS FOR SAWS	46.98
18215	01/23/13	PACIFIC PIPELINE SUPPLY INC INVENTORY CONTROL	399.72
18236	01/31/13	PACIFIC PIPELINE SUPPLY INC INVENTORY CONTROL	1,573.09
18257	02/07/13	PACIFIC PIPELINE SUPPLY INC INVENTORY CONTROL	1,696.98
18185	01/09/13	CASH TO REPLENISH PETTY CASH FOR JANUARY 2013	500.00
18216	01/23/13	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE BENEFITS PE:01/01/13-01/15/13	8,569.50
18258	02/07/13	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE BENEFITS PE:01/16/13-01/31/13	9,085.66
18217	01/23/13	QUILL CORPORATION OFFICE SUPPLIES SEE INVOICE FOR DETAILS OFFICE SUPPLIES SEE INVOICE FOR DETAILS	279.01
18237	01/31/13	QUILL CORPORATION OFFICE SUPPLIES	47.97
18259	02/07/13	QUILL CORPORATION OFFICE SUPPLIES	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 JANUARY 31, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		OFFICE SUPPLIES	367 79
18238	01/31/13	SAN DIEGO GAS & ELECTRIC	
		6160 624 622 9	
		951 RANGO WAY	
		ID1-16	
		9525 627 344 5	
		2989 BORREGO VALLEY RD	
		PACKAGE PLANT	
		7285 625 351 8	
		4201 BORREGO SPRINGS RD	
		ID1-10	
		6160 427 632 7	
		COUNTRY CLUB RD	
		ID4-2	
		3607 425 233 9	
		2990 BORREGO VALLEY RD	
		TC LIFT STATION-ID-5	
		4785 979 020 3	
		3003 LOFTER DR	
		ID5-5	
		6114 522 473 7	
		3352 BORREGO VALLEY RD	
		ID1-12	
		1614 489 405 4	
		5037 BORREGO VALLEY RD	
		ID1-8	
		2739 492 249 3	
		4861 BORREGO SPRINGS RD	
		TREATMENT PLANT	
		3864 202 758 1	
		2510 RAMS HILL DR	
		BOOSTER STATION 1	
		4240 011 405 2	
		301 SLASH M RD	
		COUNTRY CLUB TANK	
		5035 410 733 7	
		3528 COUNTRY CLUB RD	
		ID4-10	
		8364 482 055 9	
		5073 BORREGO SPRINGS RD	
		ID1-1	
		9489 482 054 6	
		5065 BORREGO SPRINGS RD	
		ID1-2	
		2700 523 335 7	
		806 PALM CANYON	
		OFFICE/MAINT SHOP	
		6954 509 423 8	
		STIRRUP RD	
		OLD SHOP	
		6159 441 279 1	
		2473 STIRRUP RD	
		LUGO BLDG	
		2881 512 118 8	

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JANUARY 31, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		1111 INDIAN HEAD RANCH ID4-18 3909 503 75 7 1775 BORREGO SPRINGS RD ID4-4	18,395.37
18260	02/07/13	SAN DIEGO GAS & ELECTRIC 1614 196 067 6 4275 YAQUI PASS RD BOOSTER STATION 2 9534 569 937 1 2201 DIEGUENO RD ID4-11	71.45
18218	01/23/13	SAN DIEGO MAILING SOLUTIONS POSTAGE SUPPLIES	50.75
18219	01/23/13	SECAP FINANCE COPIER LEASE PE:12/30/12- 01/30/13	137.49
18220	01/23/13	SECRETARY OF STATE NOTARY RENEWAL- EXAM & COMMISSION FEES	40.00
18221	01/23/13	SLUDGEBOOSTERS INC EMPTY CLARIFIER AT WWTP	1,312.50
18261	02/07/13	STAPLES CREDIT PLAN SEE INVOICES FOR DETAILS	262.47
18239	01/31/13	TROY DEPRIEST REIMBURSEMENT FOR EMPLOYEE TRAINING EXPENSES	166.55
18222	01/23/13	TYCO INTEGRATED SECURITY LLC QTRLY BILLING FOR OFFICE SECURITY 02/01/13-04/30/13	169.27
18262	02/07/13	UNDERGROUND SERVICE ALERT DIGALERT TICKETS FOR JANUARY 2013	4.50
18263	02/07/13	WENDY QUINN RECORDING SERVICE FOR JANUARY 2013 RECORDING SERVICE FOR DECEMBER 2012	320.00
		TOTAL	120,311.85

GWM ACCOUNTING
01-5480
FY 2013

A	B	E	F	G	H	K	L	N	O	P
	DESCRIPTION	LGA GRANT	LGA GRANT STAFF SUPPORT	IRWMP	IRWMP STAFF SUPPORT	GWM	GWM STAFF SUPPORT	TOTALS	MONTHLY TOTALS	
6										
7										
8										
9										
10										
11	07/15/12		923.20					923.20		
12	07/25/12			48.55				48.55		
13	07/31/12			800.00				800.00		JULY
14	08/15/12				553.92			553.92		
15	08/31/12				738.56			738.56		AUGUST
16	09/20/12			87.50				87.50		
17	09/28/12					265.00		265.00		
18	09/30/12					2,750.00		2,750.00		
19	09/30/12					1,182.01		1,182.01		
20	09/30/12				553.92			553.92		SEPT
21	11/30/12			15.00				15.00		NOV
22	12/14/12					1,128.75		1,128.75		
23	12/28/12					2,400.00		2,400.00		
24	12/31/12					805.00		805.00		
25	12/31/12					13,621.48		13,621.48		DEC
26	01/23/13					480.00		480.00		
27	01/31/13					2,451.10		2,451.10		JAN
28										
29										
30	TOTAL GWM EXPENSES FY 2013:	-	923.20	951.05	1,846.40	25,083.34	-	28,803.99	\$ 28,803.99	

Borrego Water District Management Report – February 2013

By: Jerry Rolwing

FEDERAL LEVEL

U.S. Bureau of Reclamation: Reclamation staff will present a report on the Southeast California Basin Study at the 2013 Town Hall Meeting, March 27, 2013.

U.S. Dept. of Agriculture: FYE 2012 Audit and an updated water rate sheet have been provided to the Rural Development Staff. The District's consulting engineer, David Dale, is contacting the USDA staff to get the project moving forward.

U.S. Geological Survey: The draft document summarizing the three year study will be available for comment in April 2013. Claudia Faunt will be presenting the material at our annual Town Hall Meeting, March 27, 2013. The report will be final before the end of 2013.

STATE LEVEL

On February 20th, Consulting District Engineer David Dale and I met with staff of the State Water Resources Control Board (SWRCB). SWRCB called the meeting to check on our progress in complying with the Salt and Nutrient Management Plan due May 2014. Required elements of the plan are attached (Attachment A). We explained the current work being done on the groundwater studies with USGS and Reclamation. They seemed excited to hear that we were being so proactive on the groundwater situation and offered to assist in the development of our plan. David Dale will start the process by drafting an outline and sending it to the SWRCB staff for comments. I inquired if we could review plans created by other small agencies and was informed that most were in the same stage as our District.

The funding recommendations for the Department of Water Resources, Local Groundwater Assistance (LGA) were released on February 19th. Our application scored 33 (ranking 49th) and the limited funding of \$4.7M was expended by the 19th applicant, scoring 38. There were 98 applicants requesting \$22,265,013. The overall evaluation was fairly good, with deficiencies on the budget and schedule (Attachment B). The application can be found on page 34 of the July 2012 agenda packet (http://www.borregowd.org/uploads/2012.07.25_board_package_reduced.pdf). This project is necessary as we move forward with groundwater quality programs and could possibly be incorporated into the Salt and Nutrient Management Plan. Other funding sources will be investigated. Again, thanks to retired local geologists John Peterson and Walter Kitchen for their input.

The Association of California Water Agencies (ACWA) has informed us that the State Legislature is pursuing a number of bills to address drinking water (Attachment C). One of the more important issues are bills (assembly and senate) that propose changing responsibility of the State's drinking water programs from the Department of Public Health to the State Water Resources Control Board.

COUNTY LEVEL

On Monday February 4th I met with County Department of Planning and Development Services (DPDS) to discuss the newly adopted amendment to the County Groundwater Ordinance and Memorandum of

Agreement (MOA). The two items were adopted by the Board of Supervisors on January 30th. The meeting concentrated on details involved with the implementation of the Water Credit Program. In addition, we discussed Supervisor Dianne Jacob's direction to DPDS staff on finding a solution to the Borrego Valley overdraft situation. Staff will identify possible solutions and return their recommendations to the Board of Supervisors.

I also attended a presentation by the San Diego County Local Agency Formation Commission (LAFCO) on the Borrego Valley Sphere of Influence (SOI). LAFCO is the public agency which sets and changes special district boundaries and authority. There was no change in the existing SOI, boundary or authority in this update and none anticipated in the near future.

LOCAL LEVEL

I attended the February Borrego Springs Community Sponsor Group meeting to discuss changes in the District's New Development and Water Credit Policies. The group appreciated the presentation and asked several questions. Also discussed were the Special Study Areas in the Borrego Springs Community Plan. I offered to assist Sponsor Group Member Abby King with the Borrego Valley Farmlands Study Area (Attachment D). The timing of this could dovetail with the direction to County DPDS staff to find solutions to the overdraft.

DISTRICT LEVEL

The pump in the Wilcox Well was repaired and the casing was cleaned to increase production. This is our emergency backup well for the southern portion of ID-4. Well ID4-11 was placed back into service only to find a problem with the down-hole oil tube connections. The pump was pulled once again and reinstalled after the repairs.

The 800 Reservoir which serves ID-3 will undergo a lining replacement in the next couple of months. The "hyperlon bladder" type reservoir with a capacity of 0.75 million gallons (MG) has been leaking and requires a new liner to be installed. The top portion of the reservoir was replaced in 2006 but the sides and bottom are original material from the 1990's. Once the tank is placed back in service, work will commence on recoating the District largest reservoir (1.25 MG capacity), Rams Hill #1. This project has been deferred for several years waiting for the new Wilcox Reservoir to be constructed. With that project on hold, the repair of both tanks, 800 and RH-1, were deemed necessary this year.

A "Reporting of Significant Event" was prepared by David Taussig and Associates for the Community Facilities District (CFD) #2007-1 (Attachment E). The report identifies the delinquencies associated with the CFD payments at the Rams Hill Golf Course and vacant lots in the subdivision. The District has no financial obligation for these bonds.

The District received a refund on our insurance payment from ACWA/JPIA (Joint Powers Insurance Authority) in the amount of \$9,174.17 (Attachment F). This refund reflects the diligent efforts by the District staff to create a "safe working place", thereby minimizing any insurance claims. A good job by both office and field staff - Thanks!

DRAFT
SALT/NUTRIENT MANAGEMENT PLANS
— SUGGESTED ELEMENTS —

<p>I. BACKGROUND</p> <ul style="list-style-type: none"> • Purpose <ul style="list-style-type: none"> • Protection of Beneficial Use • Sustainability of Water Resources • Problem Statement • Salt/Nutrient Management Objectives • Regulatory Framework • Groundwater Beneficial Uses • Stakeholder Roles and Responsibilities • Process to Develop Salt/Nutrient Management Plan
<p>II. GROUNDWATER BASIN CHARACTERISTICS</p> <p>1. GROUNDWATER BASIN OVERVIEW</p> <ul style="list-style-type: none"> • Physiographic Description • Groundwater Basin and/or Sub-Basin Boundaries • Watershed Boundaries • Geology • Hydrogeology/Hydrology • Aquifers • Recharge Areas • Hydrologic Areas Tributary to the Groundwater Basin • Climate • Land Cover and Land Use • Water Sources
<p>2. GROUNDWATER INVENTORY</p> <ul style="list-style-type: none"> • Groundwater Levels <ul style="list-style-type: none"> • Historical, Existing, Regional Changes • Groundwater Storage <ul style="list-style-type: none"> • Historical, Existing, Changes • Groundwater Production <ul style="list-style-type: none"> • Historical, Existing, Spatial and Temporal Changes, Safe Yield • Groundwater Mixing and Movement <ul style="list-style-type: none"> • Subsurface Inflow/Outflow • Horizontal and Vertical Movement and Mixing
<p>3. BASIN WATER QUALITY</p> <ul style="list-style-type: none"> • Groundwater Quality <ul style="list-style-type: none"> • Background, Historical, Existing • Water Quality Objectives • Surface Water Quality • Delivered Water Quality • Imported Water Quality • Recycled Water Quality

Bold = Required by the Recycled Water Policy

DRAFT
SALT/NUTRIENT MANAGEMENT PLANS
— SUGGESTED ELEMENTS —

III. BASIN EVALUATION:
1. WATER BALANCE
<ul style="list-style-type: none"> • Conceptual Model • Basin Inflow/Outflow • Groundwater, Surface Water, Imported Water, Water Transfers, Recycled Water Irrigation, Waste Water Discharges, Agricultural Runoff, Stormwater Runoff (Urban, Agriculture, Open Space), Precipitation • Infiltration, Evaporation, Evapotranspiration, Recharge, Surface Water and Groundwater Connectivity
2. SALT AND NUTRIENT BALANCE
<ul style="list-style-type: none"> • Conceptual Model • Salt and Nutrient Source Identification • Salt and Nutrient Loading Estimates <ul style="list-style-type: none"> • Historical, Existing, Projected • Import/Export • Basin/Sub-Basin Assimilative Capacity for Salt and Nutrients • Fate and Transport of Salt and Nutrients
3. CONSTITUENTS OF EMERGING CONCERNS (CECs)*
<p>* - Requirements for monitoring CECs will be determined following State Water Board review of the CEC Advisory Panel's report due in June 2010.</p> <ul style="list-style-type: none"> • Constituents • CEC Source Identification
4. PROJECTED WATER QUALITY
IV. SALT AND NUTRIENT MANAGEMENT STRATEGIES
<ul style="list-style-type: none"> • Load Reduction Goals • Future Land Development and Use • Salt/Nutrient Management Options • Salt/Nutrient Management Strategies and Modeling <ul style="list-style-type: none"> • Management Strategy Model Results • Feasibility • Cost
V. BASIN MANAGEMENT PLAN ELEMENTS
1. GROUNDWATER MANAGEMENT GOALS
<ul style="list-style-type: none"> • Groundwater Management Goals • Recycled Water and Stormwater Use/Recharge Goals and Objectives
2. BASIN MONITORING PROGRAMS
<ul style="list-style-type: none"> • Identify Responsible Stakeholder(s) Implementing the Monitoring • Monitoring Program Goals • Sampling Locations • Water Quality Parameters • Sampling Frequency • Quality Assurance/Quality Control • Database Management

Bold = Required by the Recycled Water Policy

DRAFT
SALT/NUTRIENT MANAGEMENT PLANS
— SUGGESTED ELEMENTS —

<ul style="list-style-type: none"> • Data Analysis and Reporting • Groundwater Level Monitoring • Basin Water Quality Monitoring • Groundwater Quality Monitoring <ul style="list-style-type: none"> • Areas of Surface Water and Groundwater Connectivity • Areas of Large Recycled Water Projects • Recycled Water Recharge Areas • Surface Water Quality Monitoring • Stormwater Monitoring • Wastewater Discharge Monitoring • Recycled Water Quality Monitoring • Salt and Nutrient Source Loading Monitoring • Other Constituents of Concern • Water Balance Monitoring <ul style="list-style-type: none"> • Climatological Monitoring • Surface Water Flow Monitoring • Groundwater Production Monitoring
3. SALT AND NUTRIENT LOAD ALLOCATIONS
VI. CEQA ANALYSIS
VII. ANTIDegradation ANALYSIS
VIII. PLAN IMPLEMENTATION
1. SALT AND NUTRIENT MANAGEMENT PROGRAM
<ul style="list-style-type: none"> • Organizational Structure • Stakeholder Responsibilities • Implementation Measures to Manage Salt and Nutrient Loading • Salt/Nutrient Management <ul style="list-style-type: none"> • Water Supply Quality • Regulations of Salt/Nutrients • Load Allocations • Salt and Nutrient Source Control • CEC Source Control • Site Specific Requirements • Groundwater Resource Protection • Additional Studies
2. PERIODIC REVIEW OF SALT/NUTRIENT MANAGEMENT PLAN
<ul style="list-style-type: none"> • Adaptive Management Plan • Performance Measures • Performance Evaluation
3. COST ANALYSIS
<ul style="list-style-type: none"> • CWC § 13141, "...prior to implementation of any agricultural water quality control program, an estimate of the total cost of such a program, together with an identification of potential sources of funding, shall be indicated in any regional water quality control plan."
4. IMPLEMENTATION SCHEDULE

Bold = Required by the Recycled Water Policy

DRAFT
SALT/NUTRIENT MANAGEMENT PLANS
— SUGGESTED ELEMENTS —

5. PUBLIC HEARING AND ADOPTION

Bold = Required by the Recycled Water Policy



PROPOSAL EVALUATION

IRWM Grant Program – Local Groundwater Assistance, FY 2012-2013

Applicant	Borrego Water District	County	San Diego
Project Title	Borrego Valley Groundwater Quality Baseline Project	Grant Request	\$ 124,000.00
		Total Project Cost	\$ 131,700.00

Project Description: The Proposal evaluates the past sixty years of water quality data, while incorporating a baseline strategy of how future water quality sampling will be handled and design a monitoring program that can be utilized as an early warning system for water quality contamination in the Borrego Valley Aquifer.

Evaluation Summary:

Scoring Criterion	Score
GWMP or Program	5
Technical Adequacy of Work to be Performed	5
Work Plan	8
Budget	4
Schedule	3
QA/QC	3
Past Performance	5
Geographical Balance	0
Total Score	33

- **GWMP or Program:** A GWMP was formally adopted by the lead GWMP agency on October 18, 2002. The application includes a signed and dated copy of the resolution of the Board of Directors of the Borrego Water District, San Diego County, California, adopting the GWMP and signed by the President of the Board of Directors. The application also includes an update to the GWMP which was completed and approved in 2006.
- **Technical Adequacy of Work to be Performed:** The criterion is fully addressed with thorough and well-presented documentation. The applicant provides a description of the proposed project and its relevance to the GWMP. The applicant also demonstrates a long-term need for and merit of the proposed project. A commitment to incorporating well sampling into their existing well sampling program and to finding funding to support ongoing water quality sampling is provided on page 7.
- **Work Plan:** The criterion is addressed but is not thoroughly documented. The work plan describes in sufficient detail how project decisions will be made, what will be done, and what the product will be. Tasks are consistent with the schedule and budget and the proposed tasks can reasonably fulfill the objectives of the proposal and the groundwater quality monitoring goals of the GWMP. However, the proposal does not present clear criteria for evaluating progress and performance at each step of the proposed project. To obtain access to private wells for the water monitoring program, the applicant identifies community outreach as the means to identify willing well owners and implementation of formal right-of-entry agreements. However, the proposal does not provide assurances or strategies to obtain access to private property. Also, outreach will include the presentation of project plans and results to the public and stakeholders in public meetings. Compiled data will be provided to the Borrego Water District, DWR, and SWRCB but dissemination of data to the public is not addressed. Compliance with CEQA will be addressed in Task 1 – Project Setup, but no details about CEQA requirements or exceptions are discussed. No other permits or regulations are discussed.
- **Budget:** The criterion is addressed but is not thoroughly documented. Budget tasks are consistent with the work plan and schedule. Costs for a list of actions under each task and costs are broken down into labor time estimates for staff, hours and costs for consultants, and costs for vendors. However, no documentation is provided to explain how lab and GIS vendor costs were determined. Also, staff hours are considered “in kind services” and included in the budget but no dollar value is assigned to this labor. Other sources of funding are not identified.
- **Schedule:** The criterion is not fully addressed and documentation is incomplete or insufficient. The tasks listed in the schedule are consistent with the tasks identified in the work plan tasks and budget. However, the schedule does not indicate whether the date associated with each task is the start or end date. As a result, the schedule does not clearly demonstrate that all work will be complete within the required time frame.



PROPOSAL EVALUATION

IRWM Grant Program – Local Groundwater Assistance, FY 2012-2013

- **QA/QC:** The criterion is not fully addressed and documentation is incomplete or insufficient. The QA/QC section of the application is generic and lacks more substantive project or task-specific details. Although work products and reviews are included for each task in the Work Plan, QA/QC measures are not specified for each task so are undefined. The QA/QC appears to be consistent with the work plan but it is difficult to confirm due to the lack of detail.

- **Past Performance:** The criterion is fully addressed with thorough and well-presented documentation. The applicant cited successful completion of 2 previous projects, funded through DWR LGA grants, and provided a copy of the performance evaluations for both of these projects. Problems were encountered but resolved in a reasonable manner on one of the projects. For both project, tasks were completed within the time allotted and within the budget provided.

Local Groundwater Assistance

Local Groundwater Assistance (LGA) Grant Program

LGA grants provide local public agencies with up to \$250,000 to conduct groundwater studies or carry out groundwater monitoring and management activities. Approximately \$4.7 million in funding from Proposition 84 is anticipated for the fiscal year 2011-2012 LGA Grant Program.

What's New?

The Department of Water Resources (DWR) has released Grant Application Scores for the Local Groundwater Assistance (LGA) Grant Program. DWR will hold a Technical Advisory Panel (TAP) and public meeting in Sacramento on February 27, 2013. The purpose of the meeting is to present to and consult with the TAP and the public regarding DWR staff rankings of Local Groundwater Assistance grant applications so that the TAP may formulate funding recommendations to DWR. This meeting will also include a public comment period. Recommendations from the TAP and public will be provided to DWR decision makers for consideration before final funding awards are made.

→ [Announcement of Release](#)

→ [Grant Agreement Template \[PDF: 284 KB\]](#)

FY 2012-2013 Local Groundwater Assistance Program Application Scores (Double Click to Open)				
Applicant Name	Project Title	Amount Requested	Total Project Cost	Score (Out of 40)
Alameda County Water District	Niles Cone Saltwater Intrusion and Aquifer Characterization Project	\$250,000	\$495,446	40
Sacramento Groundwater Authority	Assessment and Development of Tools for Managing PCE Contamination in the North Sacramento County Groundwater Basin	\$249,966	\$257,006	40
San Bruno, City of	South Westside Basin Shallow Groundwater Study	\$249,660	\$254,660	40
Squaw Valley Public Service District	Olympic Valley Creek/Aquifer Interaction Study Phase II	\$250,000	\$250,000	40
Yuba County Water Agency	Yuba County Water Agency Groundwater Model	\$249,798	\$249,798	40
Folsom, City of	City of Folsom Supplemental Groundwater Resources Study	\$249,926	\$249,926	39
Fresno Metropolitan Flood Control District	Basin Recharge Improvement and Soil Sampling Project	\$250,000	\$250,000	39
Kings Co. Water District	Regional Groundwater Monitoring Project	\$250,000	\$279,045	39
Napa County	Napa County Groundwater/Surface Water Monitoring Facilities to Track Resource Interrelationships and Sustainability	\$248,948	\$295,548	39
Sacramento Central Groundwater Authority	Sacramento Central Groundwater Authority Basin Management Objective Threshold Development and Recharge Mapping Project	\$249,780	\$316,780	39
Soquel Creek Water District	Soquel Creek Water District Monitoring Well Expansion Program	\$250,000	\$288,128	39
Tranquillity Irrigation District	Tranquillity Irrigation District Groundwater Monitoring Wells Project	\$250,000	\$255,209	39
Consolidated Irrigation District	Groundwater Monitoring Improvement Project	\$248,295	\$248,295	38
Crescenta Valley Water District	Verdugo Basin Stormwater Recharge Facility Study	\$250,000	\$272,500	38
Lassen County	Lassen CASGEM Enhancement Program	\$235,481	\$235,481	38
Modesto, City of	Modesto Groundwater Basin Characterization and Recharge Feasibility Study	\$249,990	\$249,990	38
Newhall County Water District	NCWD's South Saugus Formation Groundwater Resources Monitoring Project	\$250,000	\$628,795	38
Orange County Water District	Sunset Gap Seawater Intrusion Assessment	\$250,000	\$1,044,970	38
Rancho California Water District	Temecula Valley Basin Groundwater Management Plan	\$188,438	\$334,870	38
Roseville, City of	Western Placer County Groundwater Recharge Mapping and Water Quality Protection Program	\$250,000	\$298,504	38
Sacramento Suburban Water District	Sacramento Suburban Water District Groundwater Monitoring and Modeling Project	\$247,925	\$299,974	38
Sonoma County Water Agency	Sonoma Valley Enhanced Groundwater Recharge Study	\$249,785	\$306,654	38
Three Valleys Municipal Water	Development and Use of a Numerical Groundwater-			

\$4.7 M Funding Limit

District	Flow Model of the Six Basins	\$250,000	\$526,866	38
Turlock, City of	Eastern Turlock Subbasin LGA Grant Application	\$250,000	\$250,000	38
Kings River Conservation District	Assessing Groundwater Quality Impacts for the McMullin On-Farm Flood Capture and Recharge Project in the Kings Basin	\$250,000	\$250,000	37
Mendocino City Community Services District	Mendocino Groundwater Quality Assessment	\$249,977	\$249,977	37
San Luis Obispo County Flood Control and Water Conservation District	Paso Robles Groundwater Basin Analysis of Groundwater Elevation Management Strategies	\$249,210	\$273,310	37
Water Replenishment District of Southern California	Los Angeles Forebay Groundwater Quality Task Force Investigation	\$250,000	\$504,600	37
Zone 7 Water Agency	Upgrades, Calibration, and Application of Groundwater Model for Groundwater and Salt Management in Livermore Valley Groundwater Basin	\$250,000	\$250,000	37
Fresno Irrigation District	Groundwater Recharge Measurement Improvement Project	\$250,000	\$250,000	36
Pbdeley Irrigation District	2012 Groundwater Banking Support Project	\$250,000	\$283,830	36
Placer County Water Agency	Martis Valley Monitoring Well Installation Program	\$249,922	\$274,922	36
Arroyo Grande, City of	Preparation of a Salt and Nutrient Management Plan for the Northern Cities Management Area and the Nipomo Mesa Management Area of the Santa Maria Group	\$250,000	\$250,000	36
Banning Department of Public Works, City of	Proposal for Development of a Ground Water Management Plan and Ground Water Recharge Feasibility Study for the Banning Ground Water Storage Units	\$247,880	\$312,295	35
Calaveras County Water District	Phase 1. Stanislaus River Reconnaissance-level Conjunctive Use Evaluation	\$249,105	\$249,105	35
Castaic Lake Water Agency	CLWA's West Saugus Formation Groundwater Resources Monitoring Project	\$250,000	\$626,576	35
Eastern Municipal Water District	San Jacinto Groundwater Compliance Management Tool Project	\$250,000	\$387,000	35
Northeastern San Joaquin County Groundwater Banking Authority	San Joaquin County Groundwater Banking Model	\$249,270	\$249,270	35
San Joaquin River Exchange Contractors Water Authority	Los Banos Creek Groundwater and Surface Water Monitoring Program	\$250,000	\$304,420	35
Solano County Water Agency	Sacramento Valley Basin/Solano Subbasin Groundwater-Surface Water Flow Model to Evaluate Recharge & Conjunctive Water Use	\$249,580	\$249,580	35
Western Municipal Water District	Construction of Monitoring Wells and a Recharge Pilot Test in the Arlington Groundwater Basin	\$231,151	\$231,151	35
North San Joaquin Water Conservation District	Recharge of the Northeastern San Joaquin County Groundwater Basin Using Recycled Water	\$250,000	\$250,000	34
Ojai Basin Groundwater Management Agency	Ojai Groundwater Basin Inflow/Outflow Study	\$181,000	\$181,000	34
Tehachapi-Cummings County Water District	Groundwater Quality Monitoring Program and Cummings Basin Groundwater Model Update	\$250,000	\$250,000	34
Tulare Irrigation District	Tulare Irrigation District CASGEM Information Update and Dedicated Monitoring Well Installation Project	\$250,000	\$310,145	34
West Basin Municipal Water District	West Coast Basin Barrier Water Quality Monitoring Wells Project	\$248,319	\$258,317	34
Yucaipa Valley Water District	Development of the Yucaipa Groundwater Management Plan	\$250,000	\$330,000	34
Zone 7 Water Agency	PCE Contamination Assessment, Central Bernal Subbasin, Pleasanton, CA	\$242,268	\$242,268	34
Borrego Water District	Borrego Valley Groundwater Quality Baseline Project	\$124,000	\$131,700	33
Carpinteria Valley Water District	Carpinteria Groundwater Basin Sentinel Well Project	\$249,310	\$249,310	33
Deer Creek & Tule River Authority	Deer Creek & Tule River Authority Historical Groundwater Assessment Analysis and Report	\$164,787	\$164,787	33
Palmdale, City of	Upper Amargosa Creek Recharge Groundwater	\$250,000	\$366,082	33

	Model and Monitoring Study (Amargosa Project)			
Santa Barbara, City of	Santa Barbara Groundwater Management Plan	\$248,800	\$396,440	33
Yolo County Flood Control and Water Conservation District	Real-time Groundwater Level Monitoring Network	\$238,650	\$271,650	33
Burbank Water and Power	Burbank Water and Power Well Destruction Project	\$110,000	\$112,600	32
San Buenaventura, City of	Upper Ventura River Basin Surface Water/Groundwater Interaction Study	\$249,614	\$249,614	32
South Tahoe Public Utility District	Groundwater Management Plan Revision/Update	\$65,613	\$65,613	32
South Tahoe Public Utility District	STPUD Well Destruction Program	\$149,407	\$157,507	32
Montara Water and Sanitary District	Mid-Coastside Multi-Basin Groundwater Management Plan	\$250,000	\$286,000	31
Monterey Peninsula Water Management District	Feasibility Analysis of Expansion of ASR Program to Phase 3 Site	\$201,801	\$228,211	31
Water Replenishment District of Southern California	Montebello Forebay Recharge Enhancement Study	\$248,320	\$248,320	31
Glenn, County of	Cooperative Program of Groundwater Modeling and Monitoring Well Installation Between the County of Glenn and the Colusa Basin Drainage District	\$247,072	\$254,672	30
Palmdale Water District	Littlerock Creek Groundwater Recharge and Recovery Project (LCGRRP) Feasibility Study	\$250,000	\$1,897,969	30
Upper San Gabriel Valley Municipal Water District	Main San Gabriel Basin Data Management Platform and Integrated Groundwater Surface Water Model	\$242,760	\$242,760	30
Westlands Water District	Well Metering Project	\$250,000	\$404,500	30
Deer Creek & Tule River Authority	DCTRA Remote Sensing and Water Balance Analysis	\$83,399	\$83,399	29
Diablo Water District	Diablo Water District Expansion and Enhancement of Groundwater Monitoring Facilities and Data Collection	\$249,548	\$301,318	29
Elsinore-Murrieta-Anza Resource Conservation District	Anza-Terwilliger Groundwater Monitoring Program and Groundwater Recharge Map Project	\$117,500	\$136,500	29
Humboldt Bay Municipal Water District	Humboldt Bay Municipal Water District Groundwater Study	\$249,952	\$261,552	29
Upper San Gabriel Valley Municipal Water District	Upper District Groundwater Replenishment Project	\$149,000	\$149,000	29
West Valley Water District	Sentinel Well Project	\$250,000	\$549,500	29
West Valley Water District	Rialto Basin Groundwater Model Integration and Enhancement	\$229,700	\$229,700	29
Butte County Department of Water and Resource Conservation District	Identification and Evaluation of Groundwater Recharge in Butte County	\$249,473	\$249,473	28
Elk Grove Water District	Groundwater Protection through Well Destruction	\$200,000	\$220,221	28
Indian Wells Valley Water District	Groundwater Quality Characterization for the Indian Wells Valley, California (basin 6-54)	\$247,100	\$305,100	28
Kaweah Delta Water Conservation District	Kaweah Delta Water Conservation District's Gap Monitor Well Installation Program - 2013	\$250,000	\$340,968	28
Los Angeles Department of Water and Power	Groundwater Monitoring Wells Installation Project - Sylmar Basin	\$250,000	\$1,724,329	28
Reclamation District 2035	RD 2035 Conjunctive Use and Environmental Enhancement Program	\$250,000	\$450,000	28
Mission Springs Water District	Mission Creek Sub-basin 2012 Groundwater Study & Monitoring Well Construction Project	\$250,000	\$309,690	27
Mojave Water Agency	County-Wide Groundwater Elevation Monitoring Program	\$246,961	\$246,961	27
Patterson, City of	Patterson / Del Puerto Creek Groundwater Recharge and Water Resources Project	\$250,000	\$434,800	27
Merced Area Groundwater Pool Interests (MAGPI)	Prop for Evaluation of Artificial Recharge Potential and Auto Monitoring of GW Levels in CASGEM Wells	\$250,000	\$315,000	26
Sierra Resource Conservation District	Community Groundwater Monitoring, Analysis and Planning in Sierra Nevada Granitic Fractured Rock within a Non-Basin region, eastern Fresno County	\$141,675	\$159,775	26

Santa Rosa, City of	Monitoring well installation and data analysis	\$250,000	\$323,862	25
Shasta County Water Agency	Groundwater Management Plan for the North Fork Battle Creek Basin	\$75,000	\$122,000	25
Joshua Basin Water District	JBWD - Water Recharge Monitoring Well	\$250,000	\$250,000	24
Sierra Resource Conservation District	Improving Groundwater Management in the Southern Sierra Fractured Bedrock Aquifer	\$108,220	\$119,220	23
Municipal Water District of Orange County	Lower San Juan Basin Groundwater Yield Enhancement Study	\$250,000	\$325,000	22
Santa Barbara County Fire Department	Protection of Downtown Santa Barbara Drinking Water and Surface Water Quality by Implementation of Cleanup Prioritization Strategy	\$215,558	\$215,558	22
Upland, City of	The Evaluation of Potential Uses of Recycled Water for Groundwater Recharge and Conjunctive Use Opportunities	\$250,000	\$277,000	22
Inyo-Water Department, County of	Groundwater Monitoring wells in Middle Amargosa Valley, California Valley, Pahrump Valley, and Mesquite Valley Groundwater Basins	\$249,949	\$249,949	21
Hi-Desert Water District	Warren Valley Subbasin Groundwater Monitoring Program	\$208,950	\$225,950	20
Southeast Sacramento County Agricultural Water Authority	Southeast Sacramento County Agricultural Water Authority Ground Water Monitoring Program	\$98,900	\$98,900	19
Kern County Water Agency Improvement District No. 4	Improvement District No. 4 Groundwater Monitoring Well Installations	\$250,000	\$275,000	18
Inland Empire Utilities Agency	Prado Basin Habitat Sustainability Program	\$250,000	\$400,000	17
McKinleyville Community Services District	Groundwater Management Plan Development and Data Gaps Evaluation	\$101,300	\$116,376	17
East Bay Municipal Utility District	South East Bay Plain Basin Groundwater Basin Groundwater Data Collection Improvement Program	\$250,000	\$250,000	16
Rio Vista, City of	City of Rio Vista - Groundwater Monitoring and Study	\$190,000	\$190,000	7
Total:		\$22,265,013	\$30,772,857	

A series of Applicant Workshops listed on the following table provided potential grant applicants with assistance on preparing grant applications for LGA grants. The workshops also provided information on DWR's grant application submittal tool – Bond Management System (BMS) BMS can be accessed here: http://www.water.ca.gov/irwm/integregio_bms.cfm.

Application Summary

On July 13, 2012, DWR received 98 LGA Grant Applications requesting \$22.3M in grant funds; total project cost of these projects was \$30.8M.

About LGA Grant Program

Applicant: Local public agencies with authority to manage groundwater resources.

Projects: Groundwater data collection, modeling, monitoring and management studies; monitoring programs and installation of equipment; basin management; development of information systems; and other groundwater related work as authorized in California Water Code Section 10795 et seq.

Funding: Up to \$250,000 per eligible applicant

Funding Source: Proposition 84.

Fiscal Year 2012-2013 LGA Grant Program Schedule

Milestone or Activity	Schedule
Final Guidelines and PSP released to the public	May 2, 2012
Application Workshops:	
Cal EPA Building; Byron Sher Auditorium (webcasted) 1001 "I" Street Sacramento, CA 95814 Email questions or comments during the webcast to DWR_IRWM@water.ca.gov .	June 5, 2012 10 a.m. – 12 p.m.
Shasta County Library, Redding Branch 1100 Parkview Ave. Redding, CA 96001	June 6, 2012 10 a.m. – 12 p.m.

Hugh M. Burns Building 2550 Mariposa Mall, Room 1036 Fresno, CA 93721	June 8, 2012 10 a.m. – 12 p.m.
Regional Water Quality Control Board California Towers Building 3737 Main Street, Suite 200 Riverside, CA 92501	June 11, 2012 1 p.m. – 3 p.m.
Application Submittal Deadline	July 13, 2012 5:00 p.m.
Review and preliminary rankings of proposals by DWR staff is completed	February 15, 2013
Technical Advisory Panel Public Meeting Cal EPA Building; Byron Sher Auditorium (<u>webcasted</u>) 1001 T ^h Street Sacramento, CA 95814 Email questions or comments during the webcast to DWR_IRWM@water.ca.gov .	February 27, 2013
DWR approve grant awards	March 2013

Contacts: Tom Lutterman at (916) 651-9283, email at tl@water.ca.gov, or Jason Preece at (916) 651-9636, email at jpreece@water.ca.gov.



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Lawmakers Call for Action on Safe Drinking Water

Submitted by Lisa Lien-Mager on Wed, 02/20/2013 - 5:05pm

in [Water Quality](#) [1] [State Legislation](#) [2] [Water News](#) [3]

 [capitol-sheri.jpg](#) [4]

Saying action is needed to ensure access to safe drinking water for all Californians, lawmakers rolled out a nine-bill package of legislation Feb. 20 to address an array of drinking water issues.

Appearing on the north steps of the Capitol, Assembly Member Luis Alejo (D-Salinas) and several colleagues said it is time to provide relief for communities that rely on contaminated groundwater sources for drinking water.

"Most of us assume that we will receive clean drinking water when we turn on the faucet in our house, but for more than 2 million Californians, this isn't guaranteed," Alejo said. "In fact, unless action is taken, the number of people without clean drinking water is likely to grow."

California will need to invest about \$40 billion over the next two decades to safe ensure drinking water throughout the state, he said.

Assembly Member Henry Perea (D-Fresno) said 256 communities in the Central Valley have contaminated sources of drinking water, a condition he called "unimaginable" in 21st century California. "It's simply unacceptable and it must stop," he said.

Assembly Member Rudy Salas (D-Bakersfield) said clean water is a necessity for communities and the state's economy. He called for investment in infrastructure projects to improve access and address inequities in the state.

Laurel Firestone, co-director of the Community Water Center and co-chair of the Governor's Drinking Water Stakeholder Group, credited lawmakers and stakeholders for taking the lead on the issue.

"This has gone on for too long," Firestone said.

Assembly and Senate bills that are part of the "Clean Water for Californians" package include:

- AB 1 (Alejo), which would appropriate \$2 million to the State Water Resources Control Board to address safe drinking water and wastewater needs of disadvantaged communities in the Salinas Valley/
- AB 21 (Alejo/ V.M. Pérez), which would create the Safe Drinking Water Small Community Emergency Grant Fund to address contaminated water in small communities. It would authorize the Department of Public Health (DPH) to assess an annual charge in connection with loans (in lieu of interest) for drinking water projects funded by the Safe Drinking Water State Revolving Loan Fund. (SRF).
- AB 30 (Perea), which would eliminate the 2014 sunset provision on the existing authority that the State Water Resources Control Board has to charge a fee in lieu of interest on State Water Pollution Control Revolving Fund loans. Proceeds are used to fund grants that serve small communities.
- AB 115 (Perea), which would assist small, disadvantaged communities by allowing multiple water systems to apply for state funds as a single applicant.
- AB 118 (Alejo/ Environmental Safety and Toxic Materials Committee), which would authorize DPH to adopt interim regulations for implementing provisions related to the Safe Drinking Water SRF.
- AB 119 (Alejo/ ESTM Committee), which would delete redundant state certification requirements for drinking water devices and allow manufacturers of such devices to submit specified information and a fee to DPH for purposes of inclusion on the DPH website.
- AB 145 (Perea/Rendon), which would move responsibility for the state's drinking water programs from DPH to the State Water Resources Control Board.
- SB 117 (Rubio), which also would move the state's drinking water programs from DPH to the State Board.

ACWA supports AB 1, AB 115 and AB 118 and has taken an oppose-unless-amended position on AB 145 and SB 117, citing concerns with the bills as introduced.

ACWA will continue to track all the bills as they are amended with more detail.

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Source URL: <http://www.acwa.com/news/water-quality/lawmakers-call-action-safe-drinking-water>

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[3] <http://www.acwa.com/category/news-type/water-news>

[4] http://www.acwa.com/sites/default/files/news_icons/water-quality/2013/02/capitol-sheri.jpg

6. Specific Plans and Special Study Areas

6.1 Borrego Valley Farmlands (SS-BVF)

a. Background

The Borrego Valley Farmlands (Farmlands) are located in the northerly portion of the Plan area and consist of approximately 4,000 gross acres (3,000 net acres) of generally citrus producing crops. The Farmlands began production in the 1930s growing table grapes and a few other seasonal vegetables with citrus introduced in the early sixties. By the mid 1960s with the advancements of the United Farm Workers Union, growing and shipping of table grapes from this remote location was no longer economically viable. After the DiGiorgio Farms followed its vineyards, the small portion of land devoted to the growing of citrus continued with increasing capacity, now growing lemons, grapefruit, oranges, palms, and other crops.

The crops are irrigated by water wells located on the lands being farmed. Current pumping information is sparse, though some of the local farmers do share their well data with Borrego Water District (BWD). It is widely held that the static groundwater levels in the area are presently in the 200-300 foot range. Initially wells in this area produced water from as shallow as 40 to 50 feet in depth.

The aquifer is replenished primarily from the Coyote Creek flow coming from the Collins Valley to the north. Coyote Creek runs year-round in the Anza-Borrego Desert State Park and supplies water to the Borrego Valley sub-flow migration. During the infrequent seasonal rains, surface flows sometimes reach the valley floor, making their way to the Borrego Sink which is the terminal catchment basin in the area. These infrequent flows sustain the Borrego Sink eco-system.

b. Agricultural Use

Water is pumped up to the Farmlands via private irrigation wells on the farms.

BWD has groundwater management rights providing potable water for use by the residents of Borrego Springs. However, the BWD has no authority over the water consumption of the farm business due to the provisions of existing state laws. Farmers are free to extract water from the aquifer in any quantities that are deemed appropriate for a beneficial purpose.

In the 3,000 net acres of the Farmlands, farmers consume in excess of 10,000 acre feet (AF) of water each year based on a consumptive rate of 3.85 AF/A (acre feet per acre). Visually, this can be represented as a football field full of water to a height of about two miles; and that is every year. Water meters are

Borrego Springs Community Plan

installed on some private agricultural wells for monitoring, but many farmers do not allow access to their water wells, making rates of consumption estimates only.

c. Residential Uses

For purposes of comparison, residential dwelling units in the Plan area consume something less than 1.0 AF/Y (.95 AF/Y). If you assume that a house typically sits on one acre of land, which is common in Borrego, simple math shows that the Farmlands consume four times more water than residences. Private agricultural irrigation accounts for most of the Borrego Springs consumptive rate factor. Essentially, residential uses consume about 25% of the water per acre that farms consume.

d. Concerns

Given the rate of consumption of water in the Plan area by farmers, golf courses, and residential uses, the aquifer is being over-drafted (or mined) at the approximate rate of 13,000 AF/Y. Several studies performed over the past 30 years place Farmlands irrigation as using 70% of the water pumped annually from the single-source aquifer, with golf course irrigation using 20% of the water, and residential/commercial uses accounting for 10% of the area usage. The BWD is presently working with the U.S. Geological Survey (USGS) and California Department of Water Resources (DWR) to update information of the water volume that is remaining in the Borrego aquifer. This information may not take into consideration other variables such as climate change or recent increased farm production. Preliminary results of the data analysis by USGS and DWR are expected in Spring, 2009.

e. Special Study Area

The special study area consists of citrus groves north of Henderson Canyon Road (with some land cultivated in palms to the south of Henderson Canyon Road) and east of the Indian Head Ranch community, bordered on the far east by Highway S-22. The lands are alluvial with elements of fine sand and silts.

f. Issue

The issue has to do with the competing interests for water in the Borrego Valley. If there is no long-term, sustainable water source, the community cannot continue as a province of human habitation. Formal recognition of the Plan area's rapidly declining water source will end the viability of the community's tourism and second home-based economy, erode the viability of the surrounding State Park operation to serve its 700,000 visitors each year and put the community as a whole into a serious state of economic and social decline.

Even while the BWD explores options and programs to provide a sustainable water supply for the domestic users it serves, it is clear that the maintenance of existing agricultural land uses in the Farmlands area will continue to overdraft the

Borrego Springs Community Plan

aquifer and significantly degrade the activities and the environment of the Plan area.

Therefore, this study has to do with the production of citrus as a significant agricultural crop versus the need for other uses. Given the argument that there is no overriding need to provide for more residential occupancies in the Borrego Valley, there is also no overriding need to produce citrus in the Borrego Valley since the produce is readily available from other sources such as Florida, Texas or South America where water is plentiful. The argument comes down to the value of production and the profits associated with farming versus the need and cost for potable water for the community as a whole and the maintenance of the local environment to the extent it is dependent on the aquifer as a long-range objective.

g. Valuation

Farmers have a well-established right to extract water from the aquifer based on state law and will likely continue to farm until such time as farming becomes unprofitable or the value of the land becomes greater for another use. The profitability of farming is based on the value of the crop as it varies widely from season to season making it difficult to assign a stable value per acre. Since the Farmlands have been degraded environmentally to the extent that the desert habitat has been eliminated, the lands would have to be restored for residential development.

h. Replanting

Before replanting a new crop of citrus in the Farmlands, a farmer has to evaluate a host of considerations. These include factors such as out-of-area competition from South America, increasing pumping costs, labor, frost potential, the varying value of harvested crops, trucking costs, insect infestation, re-drilling deeper wells and the presence of a continued reliable source of water for irrigation.

i. Strategic Plan

Assuming that the farmers would be willing to sell their land if the value of the land exceeded the net present value of the crop for the life span of the grove, a conversion from farming to housing could materialize on an incremental basis. There is no present demand for more land for subdivisions, with hundreds of acres of subdivided land standing vacant and another 3,000 acres of land in the development pipeline. There is a net present value in the water consumed by the farms.

The groundwater policies of the County of San Diego and of the BWD are founded on the conversion of the Farmlands into uses that are less water intensive through development mitigation requirements.

Borrego Springs Community Plan

J. Methodology

Citrus groves have a productive life expectancy of approximately 35 to 40 years. If a method can be implemented to encourage farmers not to replant old groves, all citrus would be removed from the Plan area in 35 to 40 years simply through attrition.

A key issue is establishing a mechanism whereby farmers may realize a fair market value not to replant old groves. Expenses associated with planting new groves are substantial and sometimes constitute a risky investment. There are several strategies under development and review by both the County of San Diego and the BWD to create market incentives that would provide for the conversion of the Farmlands into land uses that require substantially less water (i.e. residential development).

Using the residential development conversion scenario will require the cooperative participation of the County of San Diego to formulate land use ordinances that provide for additional density in the Farmlands to create more interest by the development community in purchasing the farms and converting them to environmentally sound, low water use conservation subdivision developments. This could be accomplished by requiring clustered, shared resources development, resulting in the restoration of substantial lands to desert native landscape, while creating single and multi-family residential "villages" in the Farmlands with small lot size and significant open space dedications (thus limiting water use). These housing units would meet the needs of the anticipated growth in retirement, small foot print, and second-home type housing.

k. Vision

It is the responsibility of the community planning process to identify significant problems in the community structure (things that don't work). Eliminating groundwater depletion is fundamental to the continued life and prosperity of the community of Borrego Springs.

While complete groundwater depletion may or may not be imminent, a plan must be developed to resolve the issue within the time frame of the community plan over the next 20 years.

It is the vision of the community to reduce farmland – at no penalty to the farmer – by facilitating the purchase of Farmlands so that the water depletion issue can be brought to a manageable level. The community views these issues as not just "water" issues, but also as fundamental "land use" issues.

l. Study Elements

The following items are potential elements to be studied:

1. Use DiGiorgio Road as the primary access road to the Farmlands and to the Anza-Borrego Desert State Park beyond.

Borrego Springs Community Plan

2. Allow for east-west lateral roads accessing DiGiorgio Road dead ending in cul-de-sac configurations into the Farmlands.
3. Create a significant State Park access at the north end of the Farmlands.
4. Use the existing SDG&E utility distribution facilities for electric energy.
5. Establish higher density land uses along DiGiorgio Road and Henderson Canyon Road as an incentive for property owners to convert those lands early in the process - available only through special Plan process.
6. Identify very low densities in conjunction with State Park adjacencies for estate homes or for dedications to the State Park and other conservancy organizations.
7. Expand the Indian Head Ranch development to the east into the farmlands as estate homes along Horse Camp Road.
8. Identify non-agricultural lands with sensitive habitat adjacent to the park that may be set aside as conservancy lands.
9. Use the methods associated with the Conservation Subdivisions and Low Impact Design to create developments appropriate to the desert habitat.
10. Use restoration funds available from local, state and federal farmland restoration programs for habitat restoration along park boundaries.
11. Implement a program for the Transfer of Development Rights (TDR) that would apply to environmentally sensitive lands or lands identified as having a high level of environmental quality that could be traded for environmentally degraded agricultural lands through the use of an equity mechanism to encourage development into the Farmlands and for the preservation of sensitive desert lands elsewhere in the Plan area.
12. Plan mobility to encourage alternative transportation to connect Farmlands to the Village Core area.
13. Consider retention of border citrus near roadways to hide fallow land or solar installations and to improve air quality.
14. Require the removal of tamarisk trees and root systems at time of development.
15. Create a model of a self sustaining eco-village generating its own power, collecting its own water, re-using its own waste and generating its own food with direct access to one of the greatest state parks in the United States at a new level of eco-tourism for the Borrego Valley.

DAVID TAUSSIG & ASSOCIATES

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AFFIDAVIT OF FILING OF REPORTING OF SIGNIFICANT EVENT

February 14, 2013

Jerry Rolwing
Borrego Water District
P.O. Box 1870
806 Palm Canyon Drive
Borrego Springs, California 92004

Re: Reporting of Significant Event for CFD No. 2007-1 of the Borrego Water District

The undersigned, David Taussig & Associates, Inc., the dissemination agent (the "Dissemination Agent"), does hereby certify that:

The enclosed Reporting of Significant Event for the Borrego Water District CFD No. 2007-1 was successfully filed, in accordance with revised SEC Rule 15c2-12, with the Municipal Securities Rulemaking Board Electronic Municipal Market Access on February 13, 2013.

David Taussig & Associates, Inc.
as Dissemination Agent

By: Andrea Row
Authorized Representative

Enclosure

cc: Allison Burns, Stradling Yocca Carlson & Rauth
Sutter Securities Incorporated

taussig-client/BORREGO.SPR/ADMIN/12-13/CFD 2007-1/Cont Dao/Significant Event/Feb 2013/certificate (significant events).doc

\$9,530,000
COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE
BORREGO WATER DISTRICT (MONTESORO)
SERIES 2007 SPECIAL TAX BONDS

REPORTING OF SIGNIFICANT EVENT

This Reporting of Significant Event has been prepared to satisfy the obligations of Community Facilities District No. 2007-1 of the Borrego Water District (the "District"), as provided in the Continuing Disclosure Agreement dated June 1, 2007 (the "Continuing Disclosure Agreement"), by and between the District, and David Taussig & Associates, Inc. as dissemination agent, in connection with the sale and issuance of the above-captioned bonds. As provided in Section 5(d) of the Continuing Disclosure Agreement, a copy of this Reporting of Significant Event is being forwarded to the National Repository listed in Exhibit A, with a copy to the Participating Underwriter. All capitalized terms used herein shall have the meanings set forth in the Continuing Disclosure Agreement.

The following information is being provided as required under Section 5(a) of the Continuing Disclosure Agreement:

Section 5(a)(1) Principal and interest payment delinquencies.

Since no funds were available to pay debt service on February 1, 2013, the amounts below remain outstanding (in order of priority):

- (i) Default interest in the amount of \$57,080.94, as calculated by US Bank, the District's trustee,
- (ii) \$252,225.37 of unpaid interest due August 1, 2011,
- (iii) \$261,625.00 of unpaid interest due February 1, 2012,
- (iv) \$261,625.00 of unpaid interest due August 1, 2012,
- (v) \$254,868.75 of unpaid interest due February 1, 2013,
- (vi) \$220,000.00 of unpaid principal due August 1, 2011, and
- (vii) \$235,000.00 of unpaid principal due August 1, 2012.

Therefore, as of February 1, 2013, a total of \$1,087,425.06 in interest and \$455,000.00 in principal remains unpaid.



**JOINT POWERS
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E.G. "Jerry" Gladbach
David T. Hodgins
W.D. "Bill" Knutson
Melody A. McDonald
Charles W. Muse
Lou Reinkens

TO: All Pooled Program Members

FROM: David deBernardi, Director of Finance

DATE: January 23, 2013

RE: RPA Stabilization Fund Report

Enclosed is the RPA Stabilization Fund Report for your agency including backup documentation. For those agencies that have a balance that exceeds the attachment point, a check for the amount over the attachment point is also enclosed. Approximately 168 members are receiving a check with this report. Total refunds approximate \$3.7 million.

The RPA Stabilization Fund was established in 1999 to help stabilize the fluctuating cycle of refunds and billings for prior policy years. In 2001, the Executive Committee authorized expanding the Fund to include all pooled programs.

The report has several parts. It starts with the beginning balance or the amount on the books for each member before adjustments. The first adjustment is to the Liability Program's 10/1/10-11 policy year Deposit Premium for actual payroll vs. estimated payroll. Also, for the Liability Program there are Retrospective Premium Adjustments for prior policy years that still have open claims. For the Property Program there is a refund for the members that participated in the policy year 4/1/08-09, all claims have settled for this year. For those members that participated in the Workers' Compensation Program there is a Retrospective Premium Adjustment for prior policy years that still have open claims. Finally, the resulting balance after these adjustments is compared to the attachment point and any balance exceeding the attachment point is refunded back to the member agency.

It should be noted that each agency's balance is maintained separately and not all agencies' balances grow at the same rate.

If you have any questions regarding the RPA Stabilization Fund or any of the adjustments, please call (800) 231-5742 or e-mail me at ddebernardi@acwajpia.com.

CONGRATULATIONS!

**ASSOCIATION OF CALIFORNIA WATER AGENCIES
 JOINT POWERS INSURANCE AUTHORITY
 PO BOX 619082
 ROSEVILLE, CA 95661-9082**

**RPA STABILIZATION FUND REPORT
 AS OF 09/30/2012**

FOR: BORREGO WD

BEGINNING BALANCE	\$23,055.00
LIABILITY REFUND - CATASTROPHIC RESERVES	(10,063.06)
LIABILITY PREMIUM ADJ. - ACTUAL VS ESTIMATED PAYROLL - PY 10/1/2010-2011	6,101.00
LIABILITY RETROSPECTIVE PREMIUM ADJ. - PY 10/1/1994-2009	8,780.00
LIABILITY RETROSPECTIVE PREMIUM ADJ. - SELF INSURED EXCESS FUND	5,073.91
PROPERTY PREMIUM ADJ. - PY 4/1/2008-2009	2,938.33
W/C REFUND - CATASTROPHIC RESERVES	(13,625.41)
W/C RETROSPECTIVE PREMIUM ADJ. - PYS 7/1/1988-2009	523.00
W/C RETROSPECTIVE PREMIUM ADJ. - SELF INSURED EXCESS FUND	5,080.91
FUND BALANCE	\$27,863.67
CURRENT ATTACHMENT POINT (50% OF BASIC LIABILITY PREMIUM)	18,889.50
AMOUNT OF REFUND DUE TO THE MEMBER DISTRICT	\$9,174.17



BORREGO WATER DISTRICT

January 2013

WATER OPERATIONS REPORT

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

System Problems: Wilcox Well installation complete and redevelopment continues, ID4-WELL 11 put back in to operation approximately one week at which time a seal between pumping water and oil lube failed forcing water spray from top of well head at the shaft nut. Pump is being pulled to determine action required.

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: 80747 (gallons per day)
Peak flow: 95702 gpd Tuesday January 1, 2013

All restaurant grease traps were clean.

System Problems: None.



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

January 2013

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
Feb-11	74.20	9.32	109.79	8.68	201.99
Mar-11	58.59	7.84	93.55	8.57	168.55
Apr-11	109.04	11.86	111.39	16.08	248.37
May-11	107.04	13.94	137.00	21.15	279.13
Jun-11	70.10	14.25	123.58	17.21	225.14
Jul-11	70.47	15.98	136.64	17.81	240.90
Aug-11	56.10	16.67	165.82	22.17	260.76
Sep-11	39.01	15.88	131.35	14.81	201.05
Oct-11	34.11	13.61	143.26	20.58	211.56
Nov-11	30.48	11.67	130.27	11.60	184.02
Dec-11	14.63	11.22	83.50	3.12	112.47
Jan-12	14.14	9.99	93.09	3.60	120.82
Feb-12	15.96	9.75	99.64	4.60	129.95
Mar-12	17.01	9.36	87.22	4.73	118.32
Apr-12	13.47	10.86	101.43	6.86	132.62
May-12	20.98	13.34	131.79	8.31	174.42
Jun-12	31.57	13.84	133.24	5.36	184.01
Jul-12	33.18	14.27	135.30	6.36	189.11
Aug-12	42.43	17.76	157.68	6.35	224.22
Sep-12	27.60	12.72	117.15	3.14	160.61
Oct-12	33.21	12.41	122.78	29.77	198.17
Nov-12	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
12 Mo. TOTAL	307.38	144.19	1392.20	77.53	1921.30

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
Jan-13	6.97	4.51	15.11	N/A	8.86
12 Mo. Average	4.49	2.18	10.47	N/A	5.71

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

----- Water Production (Acre Feet) -----								
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====
JAN'12	0.00	0.00	0.00	10.81	13.22	0.10	24.13	14.14
FEB'12	0.00	0.00	0.00	10.06	15.31	0.34	25.71	15.96
MAR'12	0.00	0.00	0.00	9.63	15.90	0.84	26.37	17.01
APR'12	0.00	0.00	3.62	10.87	9.73	0.11	24.33	13.47
MAY'12	0.00	0.00	0.13	14.08	20.06	0.05	34.32	20.98
JUN'12	0.00	0.00	2.87	14.49	28.02	0.03	45.41	31.57
JUL'12	0.00	0.00	6.08	11.61	26.17	3.59	47.45	33.18
AUG'12	0.00	0.00	18.07	10.85	24.02	7.25	60.19	42.43
SEP'12	0.00	0.00	3.42	13.39	23.42	0.09	40.32	27.60
OCT'12	0.00	0.00	0.06	11.28	35.72	0.12	47.18	33.21
NOV'12	0.00	0.00	0.04	12.18	63.65	0.04	75.91	36.38
DEC'12	0.00	0.00	0.07	9.04	19.84	0.00	28.95	20.41
JAN'13	0.00	0.00	0.06	10.86	14.47	0.00	25.39	15.18
TOTALS	0.00	0.00	34.42	138.34	296.31	12.46	481.53	307.38

----- Water Use (Acre Feet) -----									
Date	Domestic	Irrigat'n	Constrt'n	Golf			Total	Water	
				Course	ID 3	ID 4		Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JAN'12	7.35	4.79	0.00	0.00	9.99	0.00	22.13	2.00	8.29%
FEB'12	6.74	6.61	0.00	0.00	9.75	0.00	23.10	2.61	10.15%
MAR'12	7.61	7.03	0.00	0.00	9.36	0.00	24.00	2.37	8.98%
APR'12	8.22	5.28	0.00	0.00	10.86	0.00	24.36	- .03	- .11%
MAY'12	9.39	9.97	0.00	0.00	13.34	0.00	32.70	1.62	4.70%
JUN'12	10.58	17.56	0.00	0.00	13.84	0.00	41.98	3.43	7.58%
JUL'12	10.79	21.21	0.00	0.00	14.27	0.00	46.27	1.18	2.47%
AUG'12	13.63	27.13	0.00	0.00	17.76	0.00	58.52	1.67	2.77%
SEP'12	10.87	13.61	0.00	0.00	12.72	0.00	37.20	3.12	7.70%
OCT'12	10.94	21.21	0.00	0.00	12.41	1.56	46.12	1.06	2.24%
NOV'12	10.36	25.16	0.00	0.00	11.13	28.40	75.05	0.86	1.14%
DEC'12	8.32	10.12	0.00	0.00	8.54	0.00	26.98	1.97	6.81%
JAN'13	8.01	5.39	0.00	0.00	10.21	0.00	23.61	1.78	6.97%
TOTALS	115.46	170.28	0.00	0.00	144.19	29.96	459.89	21.64	4.49%

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

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			
JAN'12	0.00	0.65	0.78	8.55	9.33	0.78	9.20	9.98
FEB'12	0.00	0.64	1.65	7.94	9.59	1.65	8.58	10.23
MAR'12	0.00	0.65	-0.20	9.08	8.88	-0.20	9.73	9.53
APR'12	0.00	0.64	0.46	8.81	9.27	0.46	9.45	9.91
MAY'12	0.00	0.62	0.59	12.08	12.67	0.59	12.70	13.29
JUN'12	0.00	0.70	1.21	11.67	12.88	1.21	12.37	13.58
JUL'12	0.00	0.63	0.90	12.17	13.37	0.90	13.10	14.00
AUG'12	0.00	0.55	0.86	15.17	16.03	0.86	15.72	16.58
SEP'12	0.00	0.18	0.83	12.24	13.07	0.83	12.42	13.25
OCT'12	0.00	0.20	0.99	10.96	11.95	0.99	11.16	12.15
NOV'12	0.00	0.21	0.99	9.69	10.68	0.99	9.90	10.89
DEC'12	0.00	0.18	0.01	7.69	7.70	0.01	7.87	7.88
JAN'13	0.00	0.19	1.27	8.29	9.56	1.27	8.48	9.75
TOTALS	0.00	5.39	9.56	126.09	135.65	9.56	131.48	141.04

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
JAN'12	9.98	9.98	0.00	0.00%
FEB'12	9.75	10.23	-0.48	-4.92%
MAR'12	9.36	9.53	-0.17	-1.82%
APR'12	10.86	9.91	0.95	8.75%
MAY'12	13.34	13.29	0.05	0.37%
JUN'12	13.84	13.58	0.26	1.88%
JUL'12	14.27	14.00	0.27	1.89%
AUG'12	17.76	16.58	1.18	6.64%
SEP'12	12.72	13.25	-0.53	-4.17%
OCT'12	12.41	12.15	0.26	2.10%
NOV'12	11.13	10.89	0.24	2.16%
DEC'12	8.54	7.88	0.66	7.73%
JAN'13	10.21	9.75	0.46	4.51%
TOTALS	144.19	141.04	3.15	2.18%

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

----- Water Production (Acre Feet) -----											
Date	Well 2	Well 3	Well 4	Well 5	Well 10	Well 11	Well 18	Wilcox	Well 85	Total	Less IDS
JAN'12	0.00	0.00	5.30	5.59	10.57	71.03	4.20	0.00	0.00	96.69	93.09
FEB'12	0.00	0.00	17.01	6.63	11.49	65.00	4.01	0.10	0.00	104.24	99.64
MAR'12	0.00	0.00	46.33	6.57	9.54	26.24	3.27	0.00	0.00	91.95	87.22
APR'12	0.00	0.00	53.20	10.21	10.05	31.54	3.29	0.00	0.00	108.29	101.43
MAY'12	0.00	0.00	59.32	57.53	11.01	1.79	10.45	0.00	0.00	140.10	131.79
JUN'12	0.00	0.00	51.41	44.43	9.67	24.96	8.13	0.00	0.00	138.60	133.24
JUL'12	0.00	0.00	50.47	17.73	8.96	59.32	5.18	0.00	0.00	141.66	135.30
AUG'12	0.00	0.00	56.62	16.64	10.48	75.26	5.03	0.00	0.00	164.03	157.68
SEP'12	0.00	0.00	49.77	22.79	8.64	32.32	6.77	0.00	0.00	120.29	117.15
OCT'12	0.00	0.00	57.69	57.66	11.31	5.96	19.93	0.00	0.00	152.55	122.78
NOV'12	0.00	0.00	51.45	24.80	9.97	0.00	14.27	0.00	0.00	100.49	100.49
DEC'12	0.00	0.00	49.39	35.72	9.47	1.54	5.77	0.00	0.00	101.89	101.89
JAN'13	0.00	0.00	61.63	27.85	11.84	0.00	4.32	0.00	0.00	105.64	103.59
TOTALS	0.00	0.00	604.29	328.56	122.43	323.93	90.42	0.10	0.00	1469.73	1392.20

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
JAN'12	96.69	80.34	16.35	16.91%	3.60
FEB'12	104.24	88.08	16.16	15.50%	4.60
MAR'12	91.95	79.03	12.92	14.05%	4.73
APR'12	108.29	92.50	15.79	14.58%	6.86
MAY'12	140.10	123.13	16.97	12.11%	8.31
JUN'12	138.60	121.98	16.62	11.99%	5.36
JUL'12	141.66	126.39	15.27	10.78%	6.36
AUG'12	164.03	139.07	24.96	15.22%	6.35
SEP'12	120.29	117.67	2.62	2.18%	3.14
OCT'12	152.55	158.47	-5.92	-3.88%	29.77
NOV'12	100.49	99.42	1.07	1.06%	0.00
DEC'12	101.89	80.45	21.44	21.04%	0.00
JAN'13	105.64	89.68	15.96	15.11%	2.05
TOTALS	1469.73	1315.87	153.86	10.47%	77.53